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NEWS SUMMARY

GENERAL BUSINESS
Angolan Equities up 1.6; Gilts recover
SWAPO bases attacked

EEC investment proposals
The Commission's proposals for the first time since the referendum to consider tactics to resurrect the devolution proposals by voting down the orders has already been virtually abandoned.

Vietnamese fear 'trickery'
The North Vietnamese government has announced that it is willing to enter peace negotiations with the South Vietnamese government.

Shah trial
The British government has announced that it is willing to extradite the deposed Shah of Iran, in order to stand trial for the murder of a British tourist.

Rhodesia offer
The British government has announced that it is willing to accept a Rhodesian offer to lift martial law in Rhodesia.

Envoy jeered
The British ambassador to Rhodesia has been jeered by a group of Rhodesians when he arrived in Salisbury.

More starve
More people are starving around the world than ever before, according to a report by the United Nations.

Peace effort
The British government has announced that it is willing to accept a Rhodesian offer to lift martial law in Rhodesia.

Sotheby's study
The Office of Fair Trading has announced that it is willing to accept a Rhodesian offer to lift martial law in Rhodesia.

Mass arrests
Police arrested 23 people in London throughout the night of Saturday, in connection with a series of robberies involving several hundred thousand pounds.

Briefly
President Mobutu of Zaire is expected to visit London next week. The British government has announced that it is willing to accept a Rhodesian offer to lift martial law in Rhodesia.

CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)
Falls: Treas. 13p 2000-03 15 pd. 235 - 1

EMS go-ahead is likely after France accepts compromise

BY MARGARET VAN HATTEM IN BRUSSELS

The proposed European Monetary System, which has been blocked since last December, appears likely to be implemented shortly. France, which in December held up EMS with demands for changes in EEC farm pricing arrangements, indicated yesterday that it was ready to accept EEC Commission compromise proposals.

Callaghan plans devolution vote

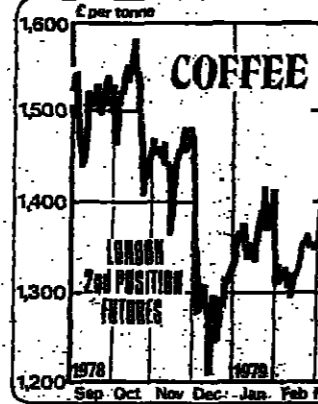
By Richard Evans, Lobby Editor

THE PRIME MINISTER prepared the ground yesterday for the repeal of the Government's legislation on Scottish devolution, but he hinted that the final battle could be some weeks off.

Union split on health service pay offer

BY CHRISTIAN TYLER, LABOUR EDITOR

THE COUNCIL workers' pay dispute was declared virtually at an end yesterday, and one union predicted a return to normal working by the start of next week.



Marked deterioration in U.S.-German relations

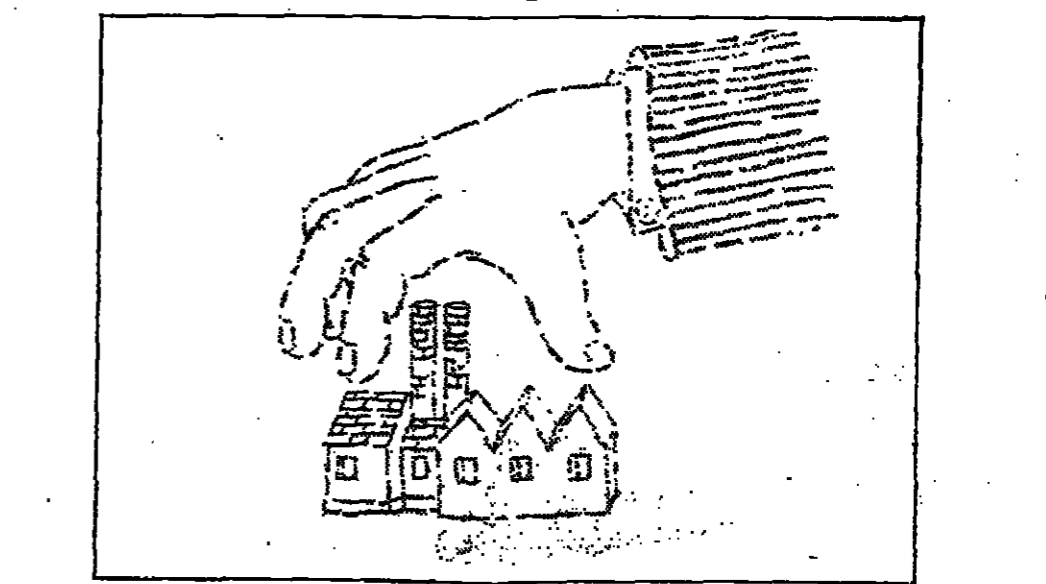
BY JONATHAN CARR IN ECNN

RELATIONS between West Germany and the U.S.—main pillars of the Western alliance—have markedly deteriorated and threaten to become still worse.

How fast could your company react?

Supposing your company is suddenly threatened with a takeover bid. Or contemplating a merger. Could your share registration system stand up to such pressures?

Everything is on computer, and updated daily. So share movements can be monitored and analysed instantly. And if you have to mail shareholders in a hurry, we address envelopes and arrange packing and posting with equal efficiency and speed.



Contact us now for a copy of the brochure detailing our services in full. You'll find we react to such requests very quickly indeed.

NatWest Registrars Department. National Westminster Bank Ltd, Registrars Department, 37 Broad Street, Bristol BS59 7NH.

Lloyd's syndicate faces £13m loss

BY JOHN MOORE

THE TROUBLED Lloyd's of London underwriting syndicate headed by Mr. Frederick Sasse faces total losses of over £13m.

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Currency reserves: the world moves away from the dollar 19

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Malaysia: new rules for the merchant banks 26
Kwiksave: the men behind its big expansion 15

EUROPEAN NEWS

Lisbon and IMF disagree on deficit target

BY JIMMY BURNS IN LISBON

THE Portuguese authorities and the International Monetary Fund (IMF) disagree over the target for the reduction in Portugal's current account deficit...

French in disarray on jobless debate call

By Robert Mauthner in Paris

THE DEMAND by M. Jacques Chirac, the Gaullist leader, for an extraordinary session of Parliament to discuss the critical unemployment situation...

Silkin's stand keeps EMS firmly grounded

BY MARGARET VAN HATTEM IN BRUSSELS

THE EEC Agricultural Ministers arguing here over farm pricing arrangements are not talking about farmers. The objections raised by Mr. John Silkin, the UK Minister...



Principal protagonists in the dispute over farm prices and attempts to start the proposed European monetary system are Herr Josef Ertl, the West German Agriculture Minister (left), M. Pierre Mehalger, Minister of Agriculture and Rural Development in France (centre), and Britain's Agriculture Minister, Mr. John Silkin.

Indeed, there is growing speculation in Brussels that the British, while not openly opposing introduction of the European Monetary System...

Mr. Silkin yesterday firmly rejected such suggestions. Britain was not blocking the EMS and did not intend to, he said.

Germany could accept this only if given guarantees that German farm incomes should not drop as a result.

The Commission produced a loosely worded compromise setting out a framework for getting rid of MCAs...

and a phrase saying that rises in common prices would be offset, as a matter of priority, by cuts in the MCAs of strong currency countries such as Germany.

Rail protest in France

BY TERRY DODSWORTH IN PARIS

THE WAVE of industrial action against redundancies, which has run through French industry this year...

West German unemployment falls to 5%

BY ADRIAN DICKS IN BONN

WEST GERMAN unemployment declined slightly during February, despite continued hard weather...

Schmidt pledge to Turkey

By Roger Boyes in Bonn

CHANCELLOR Helmut Schmidt of West Germany has reassured Mr. Ziya Muezzinoglu, the Turkish Foreign Minister...

Scheel declines to stand again

BY JONATHAN CARR IN BONN

PRESIDENT Walter Scheel of West Germany said yesterday he would not stand for a further term...

Witnesses called to clarify pre-war loan

BY OUR BONN STAFF

THE CASE of five western nations seeking to define the repayment terms of a pre-war loan to Germany...

Danish strikes postponed

BY HILARY BARNES IN COPENHAGEN

THE DANISH labour mediator has ordered a 14-day delay in planned strikes and lock-outs...

Chemical arms talks start

BRIJ KHINDARIA IN GENEVA

NERVE GASES and defoliants such as those used during the Vietnam war are among chemical weapons that could be banned under a treaty...

Coming in-haltingly- from the cold

Charles Batchelor, recently in Limburg, on the attempts to create a new industrial base in a "forgotten" region.

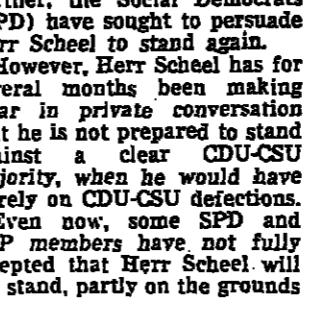
HOLLAND is a small country, the Dutch never tire of saying. But it still encompasses striking regional variations...

Several injured in Ceuta bomb blast

By Robert Graham in Madrid

SIX PEOPLE are in a serious condition following a bomb blast on Monday night at a hotel in the Spanish enclave of Ceuta...

Dutch Limburg



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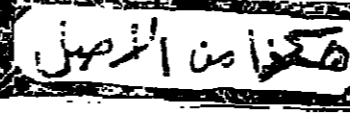
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Vietnam agrees to talk but fears trickery

BY RICHARD NATIONS IN BANGKOK

VIETNAM said yesterday that it was willing to negotiate with China, but only after all Chinese troops had withdrawn from Vietnamese territory.

declaring a general withdrawal on March 5, Chinese troops continued their attack on Vietnamese territory.

Non-oil Arab states seek aid for imports

By Kathy Bishawi in Abu Dhabi

NON-OIL-PRODUCING Arab States have suggested the establishment of a special fund aided by producing Arab nations to help them foot their oil bills.

U.S. aid would sweeten Mideast concessions

BY DAVID LENNON IN TEL AVIV

THE U.S. compromise proposals which appear to have broken the deadlock in the Egypt-Israel negotiations constitute a package of concessions by both sides, sweetened by promises of substantial U.S. aid, according to Press reports in Israel.

Israel is being asked to agree to complete the negotiations on self-rule for the Palestinians within 12 months, although no date is set for establishment of the autonomous institutions.

It is also reported that the U.S. has agreed to provide \$5.5bn to cover the cost of Israel's withdrawal from Sinai and redeployment in the Negev.

It is further reported that the U.S. has promised to supply Israel with 2.5m tonnes of oil annually in the event of an Egyptian refusal to provide it from the wells which Israel discovered in the Gulf of Suez and

will be handing over to Egypt under the terms of the treaty. Mr. Menahem Begin, Israel's Prime Minister, is reported to have accepted a U.S. offer of a defence treaty. This has caused speculation here that the U.S. may establish military bases in Sinai and possibly Israel.

Pact could end crisis in Belgium

By Giles Merritt

A PACT which would end the crisis in Belgium has been agreed between the Government and the Flemish and Walloon Governments.

The pact, which is expected to be signed by the end of the month, would settle the dispute over the language of official documents.

The pact would also provide for a new regional government to be set up in Brussels, which would be responsible for the city's administration.

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China's modernisation programme cut back

BY COLINA MACDOUGALL

CHINA HAS begun a major re-evaluation of priorities in its modernisation programme, reducing its steel investment plan and concentrating instead on agriculture and light industry.

This is the message of a series of recent editorials on industry and the economy in the People's Daily. It is confirmed indirectly by delays over the contract with Japan for the Baoshan steel project near Shanghai and the lack of specific agreements during the visit to Peking of Mr. Eric Varley, Britain's industry secretary.

Investment in steel should be cut back, the People's Daily said, to step up agricultural production, and improve the coal, electricity, power, transport and building materials. Steel production should not be emphasised at the expense of other industries since it distorted the economy in favour of heavy industry.

While the People's Daily did not refer to the import of steel plant, this could hardly fail to be affected since China's plan for increasing steel output to 60m tonnes by 1985 seems to be based largely on projected purchases of equipment.

References in one editorial to "rash" and "impetuous" plans, while overtly directed at plant managers in China, seem to be an implied criticism of those who last year drew up the programme for Peking to more than double its annual produc-

tion of under 30m tonnes within eight years.

The editorials did not say whether reductions all round in heavy industrial investment or only in steel were to be expected. However, it is clear that all funds freed by this shift in policy are to go to agriculture and light industry. This is also to include hard currency to buy foreign technology.

The usefulness of imported know-how in improving standards in light industry was recognised by the People's Daily. Complete production lines, single machines or technical patents should be imported according to need, it said.

The advantage of both agriculture and light industry over heavy industry was that the faster, the People's Daily argued. While this is debatable in regards to agriculture, the sector is clearly in need of funds since it is in a state of crisis after years of poor weather and political mishandling.

A recent Chinese broadcast said that the per capita grain allowance was now below that of 1957. Discontent over food and consumer shortages appeared to be one factor in the violence which has erupted in Chinese cities this winter. Presumably to alleviate the problem, Peking is planning to import 11m tonnes of grain this year, the largest ever annual purchase.

Sir Murray MacLehose, Governor of Hong Kong, has been invited to visit China from March 24 to April 4.

Yemen peace plea

KUWAIT - Arab League Foreign Ministers yesterday adopted a resolution calling for North and South Yemen to stop fighting immediately and withdraw all troops from their common border within 10 days.

Approval of the nine-point resolution, sponsored by Syria, Iraq and Jordan, was announced at the end of a 10-hour session.

The three countries mediated in a cease-fire between the two Yemens on Saturday but it quickly collapsed.

The League also called for both sides to stop propaganda campaigns, reopen the frontier to commerce and normalise relations.

AP

Carter must reawaken Egyptian optimism to succeed

BY ROGER MATTHEWS IN CAIRO

THE VISIT by President Carter to the Middle East this week marks a critical though not necessarily final stage in the peace process launched by President Anwar Sadat of Egypt in November 1977.

Since Mr. Sadat's momentous visit to Jerusalem the mood in Cairo has changed from euphoria to one of suspicion and some disillusion. Opposition to the Camp David accords, signed last September, has increased among the more politically aware Egyptians as it has appeared from here that Israel's Prime Minister, Menahem Begin, adopted an increasingly legalistic and obstructive stance.

One of the main subsidiary tasks for Mr. Carter when he visits Cairo tomorrow will be to try to reawaken the spirit of optimism.

The American president, on his first trip to Cairo though not his first to Egypt, can be assured of a warm popular welcome. However, should he fail in his efforts, the effects will be damaging not just for his own international and

domestic standing, but also on the attitude of Egyptians towards the U.S.

This will be more marked because of the revolution in Iran, the upsurge in Islamic militancy and the already significant loss of U.S. prestige.

The initial reaction of some Egyptians last night to Mr. Carter's decision was one of deep despondency. They felt his trip to Cairo must have been motivated more from what were seen as American interests, rather than to assist Egyptian interests which lie essentially in securing the basis for an overall Middle East settlement that might prove tempting to other Arab nations.

Such is the suspicion now of Mr. Begin that the speed with which the Israeli Cabinet yesterday approved the new American proposals for breaking the dead-

lock was seen as evidence that Mr. Carter's fresh ideas had been more cosmetic than substantive. In which case, it was argued, the reason Mr. Carter was coming to Cairo, was to put heavy pressure on President Sadat.

In the past week there have been hints that Mr. Sadat has in fact become disillusioned with Mr. Carter's efforts to pressure Israel into making positive contributions towards a solution to the Palestinian issue.

According to some semi-official sources the major policy statement due to have been made by Mr. Sadat yesterday morning, but cancelled after conversations on the telephone with Mr. Carter, would have reflected that disillusion.

It is even suggested that one of the main factors behind Mr. Carter's hastily arranged trip was to forestall a bid by Mr. Sadat to begin rebuilding some of his bridges with the rest of the Arab world.

The optimists on the other hand believe that so long as President Sadat stands firm, President Carter will leave for Israel on Saturday with no option but to achieve Mr. Begin's agreement to the Egyptian position, or to admit failure.

Throughout the past 15 months both Egypt and Israel have constantly manoeuvred to

avoid being put into the position of making the final decision. Events in the next few days are sure to see a repetition of that process, raising the danger for Mr. Carter that he might get trapped into Kissinger-style shuttle diplomacy.

Mr. Carter and Mr. Sadat can be expected to divide their talks into three inter-related areas. FIRST, the issues surrounding the signing of a peace treaty. These include Article Four of the draft treaty which will define the revision of security arrangements in Sinai after a five-year period, and Article Six which defines Egypt's defence commitments to other Arab countries in relation to Israel.

Then they have to seek a solution to Egypt's demand for the treaty to be linked with Palestinian progress towards autonomy on the Israeli-occupied West Bank and Gaza Strip. Some small Israel flexibility on these issues has been noted by the Americans, but clearly it is not enough for other Arab countries or the Palestinians, and may well be insufficient for Mr. Sadat.

THIRD, security issues in the Middle East and the risk of increased Soviet influence, coupled to Mr. Sadat's inclination to play a more emphatic role in supporting friendly Arab and African countries which feel endangered.

Mr. Zbigniew Brzezinski, the head of the U.S. National Security Council, who arrived in Cairo this afternoon, is expected to concentrate on this issue.

SECOND, U.S. economic support for Egypt and Mr. Sadat's scheme for a \$15bn five-year "Carter Plan". The U.S. already provides \$1bn a year in all forms of aid, and faced with the prospect of an at least partially effective Arab boycott if the treaty is signed, Egypt will want to ensure a more substantial future Western commitment.

Mr. Sadat has already tabled the outlines of his military armaments requirements and the availability of supplies will doubtless largely depend on his readiness to sign a peace treaty with Israel.

The 1979 Corporate Tax Conference

April 25 26 27 1979 Hyde Park Hotel London

Part One Wednesday 25 April SPECIAL GUEST SPEAKER: John W Pardoe, MP for North Cornwall

Table with 3 columns: Time, Topic, Speaker. Topics include 'THE UK AS A TAX HAVEN?', 'THE UK BASED EXECUTIVE', 'UK GROUP STRUCTURE', etc.

Part Two Thursday 26 April These talks are held simultaneously, giving the delegates an opportunity to attend the talk of greatest interest to them. Documentation for all the talks is handed out at the conference.

Table with 3 columns: Time, Topic, Speaker. Topics include 'COMPANY TAX PLANNING FOR TAX LOSSES AND RELIEFS', 'TAX ASPECTS OF INTERNATIONAL FINANCING OPERATIONS', 'TAX EFFICIENT REMUNERATION ARRANGEMENTS FOR TOP MANAGEMENT', etc.

Friday 27 April

Table with 3 columns: Time, Topic, Speaker. Topics include 'TAX PLANNING FOR UK COMPANIES', 'DEALING WITH THE TAX AUTHORITIES OF FOREIGN COUNTRIES', 'DEALING WITH UK EXCHANGE CONTROL RESTRICTIONS', etc.

The organisers are also going to hold an additional seminar on the 1979 Budget. It will cover all important new developments.

Registration Form with fields for Name, Position, Company/Organisation, Address, Postal Code, Tel., Telex, and registration options.

Status FURNITURE & DECORATING SUPERSTORE. Another record year in terms of both turnover and profit. The year has started satisfactorily, the medium and long term prospects for the company are excellent, we look forward to another record year. Table with financial data for 1978 and 1977.

AMERICAN NEWS

Car sales may encourage optimism about economy

BY JOHN WYLES IN NEW YORK

HIGH SALES of foreign passenger cars last month helped carry total retail deliveries 7.3 per cent above the figure for February 1978.

With overall sales of foreign and domestic cars totalling 840,000 units, there is still very little sign of the reduction in consumer spending which is expected by many private economists.

But as in previous months in the current model year, February brought mixed fortunes for the domestic manufacturers.

domestic deliveries falling 5.7 per cent.

Last month, however, General Motors reaffirmed its current market strength with a 9.8 per cent increase in sales to 387,391, to give it 58.4 per cent of the market excluding imports.

Chrysler's sales fell 2.3 per cent to 78,200 (11.8 per cent of the market). American Motors recent sales slide continued with an 18.7 per cent drop to 9,391 (1.4 per cent of the market).

Imports claimed 21 per cent of the market, compared with 19.8 per cent a year ago. Toyota, the leading importer, failed to share in the gain and continued its recent sales slide with a 14.8 per cent drop.

maintained sales growth of recent months with a 25 per cent increase to 23,197 units. Total foreign car sales climbed about 11 per cent to 176,000 units.

In yet another cheeky initiative to revive the flagging fortunes of Chrysler, Mr. Lee Iacocca, the company's president, sent 500,000 letters to owners of Ford cars urging them to buy Chrysler next time.

Accompanying the letters is Mr. Iacocca's new Chrysler business card which promises Ford owners "every consideration" if they present it to a Chrysler dealer.

Oil supply disruption 'may be past worst'

By David Lucille in New York

U.S. ENERGY Secretary Dr. James Schlesinger indicated yesterday that as far as the U.S. is concerned, disruptions in the oil supply caused by the Iranian revolution may be past the worst.

Testifying to a House committee hearing on energy, he said he now saw nothing to indicate that all supplies would fall by the 10 per cent necessary to trigger petrol rationing in the U.S.

Dr. Schlesinger had said at the beginning of the year that he would use the April 1 deadline to determine what action should be taken to counter possible oil shortages.

However, since then, the political outlook for Iran has become clearer, and oil exports resumed this week, with the first deliveries to the U.S. expected in the second half of the month.

But the U.S. does not expect Iran to bring oil production back to its pre-revolutionary level of over 6m barrel a day. Dr. Schlesinger said yesterday that Iran had indicated a level closer to 2m b/d, and he characterised the situation in Iran as still volatile.

Because of the time-lag in delivering Iranian oil to the U.S., it could be a while before the home market for oil products eases.

Exxon, the biggest U.S. oil company, yesterday joined other oil majors in restricting petrol supplies to its customers because of the Iran crisis.

The company said it would keep deliveries this month at the same level as last year. This implies an effective cut of about 2-3 per cent.

Exxon's move, which follows its announcement last month of curtailment of its international oil shipments, means that most U.S. oil companies have now responded to the Iranian shutdown by reducing supplies of oil products.

AP reports from Washington: The U.S. Senate Foreign Relations Committee plans later this week to release a report said to cast serious doubt on the longevity of Saudi Arabia's oil fields.

U.S. Administration and Congressional sources who declined to be identified, said the report has stirred controversy because of sensitivity in Saudi Arabia over the possibility its oil fields might be depleted by the mid-1980s.

The New York Times said on Monday that Senate Committee staff members have concluded that if Saudi Arabia produces 14m b/d, the country's supply would peak in six to 10 years. Some oil analysts believe that to meet the needs of the U.S. and other industrialised Western countries, Saudi Arabia will have to increase production to 14m-16m b/d. At present, Saudi production is less than 10m b/d.

The Foreign Relations panel's conclusions were based partly on documents subpoenaed from the Exxon Corporation, a member of the Arabian American Oil Company, the consortium that produces Saudi oil.

Mr. Jim Morakis, an Exxon spokesman, said, however, that the report's conclusions that Saudi Arabia's production capacity is severely limited is wrong.

"We deny it," Mr. Morakis said in a telephone interview. Other sources said the oil companies feared being accused of taking more from the oil fields than was technically prudent.

If the Saudi fields begin to run dry, officials estimate it would cost \$25bn-\$40bn to maintain present production levels.

World economy tops IMF agenda

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE UNCERTAIN state of the world economy, beset by higher oil prices and uncertain supplies, is the principal item on the agenda of Finance Ministers who will be convening here today for the half-yearly meeting of the International Monetary Fund's interim committee.

The committee, under the chairmanship of Mr. Denis Healey, Britain's Chancellor of the Exchequer, is not expected to take any major decisions during the meeting which may be completed in one day.

There are no outstanding issues affecting the IMF itself, such as quota increases or additional distributions of special drawing rights. However, there will be discussion once again of the so-called substitution account, which would enable member nations to change the composition of their foreign currency holdings.

The committee will be studying a report on the subject prepared by M. Jacques de Larosiere, the IMF's managing director, and its executive directors, plus an additional study drawn up by the IMF staff.

ing some urgency from the issue.

The general feeling now is that the creation of greater world liquidity is not necessarily desirable after the SDR distribution, the agreed 50 per cent increase in quotas and the establishment of the 10bn SDRs Witterveen facility to assist countries with balance of payments problems.

Stability of the dollar, the U.S. is not at present over-keen to advance discussions on what amounts to a substitution account for the dollar.

On the macro-economic level, the interim committee is meeting at a time when there is both uncertainty and divergence of views on the mid-term future for the world economy. Particular attention is likely to be focused on the persistent strength of the U.S. economy over the last two quarters and, in a familiar refrain, on the ability and willingness of Japan to do something about its trade and balance of payments surpluses.

The clear fear of many countries is that the Carter Administration is presiding over an economy which is not responding to its attempts to bring down the rate of growth and inflation gradually.

A sharp rather than a gradual downturn in the U.S. is felt, could have severe repercussions elsewhere.

The relative stability of the dollar since last November has at least taken some of the heat off U.S. external policies, though there is bound to be close examination of U.S. projections for a contracting payments deficit in the light of the still vigorous economic expansion taking place.

Japan may face a degree of criticism from the U.S. and from European nations on its trading policies. The same may be true of France, which is threatening not to sign the mid-term trade negotiations in Geneva. With this in mind, the interim committee is bound to issue its standard condemnation of the evils of protectionism. Moving away from the dollar Page 19

New Volkswagen strike threat

BY OUR NEW YORK STAFF

ALLEGATIONS of harassment by supervisory staff lie behind a new strike threat by 3,300 production workers at Volkswagen of America's \$850m assembly plant in Pennsylvania.

A meeting attended by almost 900 workers voted on Sunday to seek United Autoworkers Union (UAW) approval for a strike. The vote appears to be further evidence of tension in management-worker relations at the plant, which was closed for several days last October by a strike over the terms of the first three-year contract under which it would be operated.

Production was again disrupted in early January by an unofficial stoppage over working conditions.

Developments at the plant are

being watched closely by a number of foreign car manufacturers which have been considering following the path blazed by Volkswagen (VW) into local U.S. manufacturing.

Both Nissan and Honda of Japan have conducted feasibility studies on a U.S. plant and Toyota is also considering such an investment.

It is thought that foreign manufacturers would like to avoid recognising the UAW, whose VW membership may be almost as much a problem for the union as it appears to be for the company.

The large majority of Volkswagen's 3,300 workers have no previous union experience, their average age is lower than at many comparable U.S.-owned plants and according to the com-

pany more than 40 per cent are Vietnam veterans.

But Mr. Joe Valentich, the local branch president of the UAW, told the Financial Times yesterday that neither age nor background was an important factor in labour relations there.

A former steelworker, Mr. Valentich claimed that Volkswagen had hired "a lot of young supervisors who don't know how to treat people."

The branch has lodged about 100 complaints over working practices and health and safety issues, many of which focus on the production standards being sought by VW.

VW currently produces 650 Rabbit small cars a day

Canada aircraft price request

BY VICTOR MACKIE IN OTTAWA

CANADA HAS asked the U.S. to waive research and development charges on the fighter aircraft on the Canadian Cabinet's "short list" — the General Dynamics F-16 and the McDonnell-Douglas F-18A.

The Government wants to increase substantially the number of fighter aircraft it can eventually purchase from the U.S.

Mr. Barney Danson, the Defence Minister, made the request in a letter to Mr. Harold Brown, the U.S. Secretary of Defence. A reply is expected in a few weeks indicating to what extent, if at all, Washington will waive the hundreds of millions of dollars in research and development charges.

The U.S. Government levies research and development charges on each aircraft sold in an attempt to recover money given to manufacturers at the outset of an aircraft programme. These "start-up" costs are substantial, and the Defence Department has reported that the research and develop-

ment charges applied to each aircraft is pegged to the number of aircraft expected to be sold.

The current surcharge on the F-16 is about \$900,000 (\$250,000 per aircraft, and over \$9m for each F-18A.

A surge in exports of manufactured products in January helped to push the Canadian monthly trade surplus to \$398m, up sharply from the \$310m surplus in December. The Government's Statistics Branch reported yesterday.

McGovern attacks SALT

WASHINGTON — Senator George McGovern said yesterday he might vote against the new Strategic Arms Limitation Treaty (SALT) treaty expected to be concluded soon with the Soviet Union.

The talks, instead of controlling the arms race, had only channelled it into new directions, the South Dakota Democrat said in a speech to the Senate.

"I find it a sad obligation I contemplate a negative vote of the SALT II treaty... But this may be the only recourse left to us who believe the objective of real arms control is not important than the illusion of treaty presents," he said.

The proposed treaty, which would have to be ratified by the Senate, has already come under attack from hawkish Senators who claim it will put the U.S. in a position of strategic inferiority to the Soviet Union.

But Senator McGovern said "I think both the content of our arms planning and our approach to the negotiation have been infected by a yearning to dismiss the hardships by embracing their cause."

Canada car industry booming

TORONTO — Canada's car manufacturers report booming sales for the first two months of this year.

"This sales momentum has been building since the turn of the year, demonstrating a continuing high level of consumer confidence and optimism in the future," Mr. Richard Colcomb, vice-president and general sales manager of General Motors of Canada, said.

General Motors sold 33,465 cars in February, 14.8 per cent

more than in February last year (28,164). Truck deliveries were 12,629 (11,814 last year).

Together with Ford of Canada and Chrysler Canada, General Motors sold 164,057 cars and trucks in the first two months of this year compared with 151,112 for the comparable period of 1978.

Mr. Kenneth Harrigan, Ford's vice president and general manager, said the new Mustang and Capri cars increased their share of the market at the

expense of imports. Ford's small cars, the Pinto and Bobcat, showed a 31 per cent increase.

Chrysler delivered 17,224 cars and trucks in February, a 6 per cent increase from the 16,246 sold in the comparable month last year. It was the second consecutive month of improved sales for Chrysler.

American Motors (Canada) sold 1,025 cars in February compared with 1,618 for the comparable month last year.

Virgin Islands poll opens

VIRGIN ISLANDS — Polling took place yesterday in the eastern Caribbean U.S. territory on a proposed constitution which would give some 100,000 American citizens living here more authority over their own affairs.

If the vote is Yes, the Virgin Islands will make major legal and local government changes. Until now, top municipal officials have been appointed by an elected governor and the court system has been largely the responsibility of the federal Government.

Mexican prices rise by 1.4%

By William Chislett in Mexico City

MEXICO'S NATIONAL consumer price index rose by 1.4 per cent in February, compared with 3.5 per cent in January, according to the Bank of Mexico.

Such an increase still, however, means that the Government is unlikely to achieve its target of reducing inflation this year to between 12 and 13 per cent. In 1978, inflation came down to 18.2 per cent.

LEASING DIGEST CONFERENCE A two-day conference on EUROPEAN INDUSTRIAL LEASING Okura Hotel, Amsterdam, April 23-24 Conference Chairman: Dr. Anton C. Goudsmit, Chairman, Netherlands Leasing Association; Director, Lease Plan Nederland, NV, Amsterdam PROGRAMME April 23 1. THE FINANCIAL GROWTH INDUSTRY OF EUROPE Fritz Peter, Hon. Chairman, Leaseurope; Managing Director, Industrie-Leasing AG, Zurich 2. POLICY IN CROSS-BORDER LEASING Yoshihiko Miyuchi, Senior Managing Director Orient Leasing Company Ltd, Tokyo 3. EVALUATION OF AN INTERNATIONAL LEASE CONTRACT Paul Ecker, Chemco Leasing GmbH, Frankfurt 4. DOCUMENTATION IN AN INTERNATIONAL CONTRACT Stephen P. Gottlieb, Partner, Cadwallader, Wickersham & Taft, New York 5. BIG TICKET LEASING AND THE FINANCIAL ASPECTS Michel Rolland, Sous-Directeur, Société Générale, Paris 6. CROSS-BORDER VEHICLE FLEET MANAGEMENT Hubert C. J. M van der Meulen, Director, Auto Lease Plan, Nederland NV, Amsterdam 7. WATERTIGHT INSURANCE FOR EXPENSIVE ASSETS J. W. C. Muir, Regional Director, Hogg Robinson (UK) Ltd. Cocktail and Buffet Reception for conference delegates and spouses. Simultaneous interpretation in French, German & English. The proceedings will be transcribed in English and copies sent to all delegates. * There is also a two-day pleasure tour programme for spouses, at £65.00 per person April 24 8. A MULTI-NATIONAL CORPORATION'S VIEW OF LEASING Wolfgang Wengemeier, Bayerische Motoren Werke (BMW), Munich 9. MANUFACTURER'S OUTLOOK FOR SELLING Pierre G. Pailleret, Vice-President — Sales Financing, Airbus Industrie, Paris 10. ACCOUNTING TREATMENT FOR LEASED ASSETS Robert S. Soutter, Managing Director, Airlease International Management Limited, London 11. IMPLICATIONS OF AMERICAN ACCOUNTING STANDARDS FOR EUROPE Prof. Dr. H. H. J. Nordeman, Registeraccountant, Klynveld Kraayenhof & Co., Chartered Accountants, Amsterdam; Professor of Auditing & Applied Business Economics, Univ. of Amsterdam 12. LUNCHEON ADDRESS S. G. Errington, Chairman, Leaseurope; Deputy Chairman, Barclays Mercantile Industrial Finance Ltd., London 13. BIG TICKET ITEMS: THE AMERICAN CONTRIBUTION Stanley A. Evans, Jr., Vice-President, BankAmerica Lease Group, London 14. LATE DELIVERY & EARLY TERMINATION Dr Ulrich Mansfeldt, Partner, Westrick & Eckhoff, Frankfurt

C. Hoare & Co. Announce that as from Wednesday the 7th March 1979 their Base Rate is being altered from 13 1/4% to 13%

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Handwritten text in Arabic script: محمد بن أحمد

Industry to pay £100m more for steel

BY ROY HODSON

BRITISH industry faces an increase in its annual steel bill of about £100m as a result of a new round of price increases by the British Steel Corporation.

British Steel is in the process of sending notices to customers informing them of increases ranging from 3 1/2 per cent to 8 per cent in certain steel products from April 2. Private sector steelmakers are certain to be charged the higher prices.

A final British Steel decision on its new price list was

delayed because of protests by customers. Some planned increases were abandoned. Details of the modified round of price increases are being sent to customers this week.

British Steel refuses to give details but notices so far received by customers state that lower grade bars will be increased in price by 3 1/2 per cent to 6 per cent, higher grade bars by 6 1/2 per cent to 7 per cent, alloy billets by 8 per cent, and spring steel by 8 per cent.

The corporation has decided not to seek price increases for

strip mill flat rolled products, steel sections or tinplate. Such products are subject to competition and the corporation might not retain its present volume of business if prices were raised.

The price increases are being applied to semi-finished steel, which means that the net increases to customers buying the end-products made from that steel will be more than 9 per cent on average.

Mr. John Safford, director of the British Iron and Steel Consumers' Council, said last night: "The net impact of the rises

will be to put new pressure upon steel-using industries in Britain to reduce their dependence upon British Steel products."

Although Continental European steel prices are rising it will be possible to buy some forms of steel from European mills in the weeks to come at prices at least 10 per cent below the new proposed levels for British-made products.

A British Steel executive said that the new price levels would do little more than offset the rising price of scrap steel over

recent months which, it is estimated, is going to add at least \$50m a year to the corporation's materials bill.

Companies which buy British Steel semi-finished products for transformation into steel and products, such as sections, will have to obtain Price Commission sanction to pass on the new prices to their customers.

Because of delays in producing the new British Steel lists the companies will not be able to give the commission the usual 28 days' notice before the new prices start to operate.

Tory rule 'would not mean tax revolution'

BY LISA WOOD

SIR GEOFFREY HOWE, Shadow Chancellor, said yesterday that an incoming Conservative government would not embark on a tax revolution.

Sir Geoffrey, speaking at a session of the Confederation of British Industry's Smaller Firms' Council, said that Conservative policy would be to reduce taxation on income from earnings and investments.

He took the example of Capital Transfer Tax and said: "We are very conscious that if we uprooted the present system we could make the same mistakes as the existing Government. The crucial thing is to reduce the rates and raise the threshold."

He said he did not favour writing the pages of the tax book every year. He wanted to cut down on the total number of pages.

He argued for either indexing or tapering Capital Gains Tax, possibly scrapping investment income surcharge, lifting the threshold of VAT liability and, on Capital Transfer Tax, reducing the rates and raising the threshold.

But he pointed out that the burden of taxation fell not only on the rich. A married man on £30 a week suffered through loss of benefits and through taxation if his wage went up to £45.

The Conservatives were determined to control public spending. The message that "money did not grow on trees" often provoked a stronger positive response from the shop floor than it did among managers.

Earlier, Sir Geoffrey, speaking in London at the National Conference of the Institute of Credit Management, said Britain must be prepared for a switch in taxation from income to expenditure. People now placed more value on a perk or fringe benefit. He questioned what impact this was having on the honesty of the country.

Art auctioneers face probe into buyer's premium

BY PAUL TAYLOR

THE OFFICE of Fair Trading has given Sotheby's and Christie's the fine art auctioneers, a month to provide information and documents concerning the controversial 10 per cent buyer's premium.

The request for information about the operation of the premium, introduced by both companies in 1976, follows mounting criticism of the charge, particularly from London art dealers.

The move is seen as a preliminary step towards investigating not only the way in which the premium works but the circumstances surrounding its introduction.

Under the system both the buyer and seller are charged

a 10 per cent fee on the auction price, and while the two auction houses claim the buyer's premium is a charge for services the dealers claim the services do not exist. Stock market worries about the move have affected share prices of the two companies in the last few days. Yesterday, Sotheby's was 6p down at 334p, and Christie's 4p lower at 154p.

The Office of Fair Trading said yesterday that information had been requested in writing, which "may relate to a registrable but unregistered agreement" concerning the buyer's premium. The companies have been given until April 2 to comply with the request.

Local radio hopes for more profit

Financial Times Reporter

LBC, the London radio station, hopes this year to exceed its record net profit in 1978 of £325,000 while strengthening its coverage of local news.

Mr. Brian Wallace, its financial controller, said yesterday.

His forecast reflects the company's growing confidence about its recovery from the financial crisis which struck after its launch in October, 1973.

Advertising revenue in the year ending last September rose 70 per cent and audiences increased 17 per cent. Although no figures are available, LBC believes it has since gained more regular listeners as a result of BBC Radio Four's switch from medium to long wave.

London Broadcasting, the private company which owns the station, is also cautiously optimistic that its shares could eventually go on the stock market. However, this is still some way off, as the company had an accumulated deficit of nearly £2m in the last financial year, and no dividends have been paid to shareholders.

Daily Telegraph urged to appoint senior labour relations manager

BY MAX WILKINSON

THE Daily Telegraph was urged in a Price Commission report yesterday to appoint a senior manager responsible for labour relations and to push ahead vigorously with plans for modernisation and new technology.

The Commission granted the Telegraph's application for a price rise of 1p and a rise in advertising rates, representing between them an average increase of 4.5 per cent—but said there should not be any further increase until October.

The report on the Telegraph says the industrial relations climate needs to be much improved to allow the newspaper to introduce the far-reaching changes which are needed.

In common with other Fleet Street newspapers, industrial relations at the Telegraph are "notoriously bad" and there is significant overmanning, says the report.

It says that senior management spends half its time deal-

ing with industrial relations problems and management and unions may "feel themselves trapped in a web from which there is no escape and from which there is scarcely any room for movement."

One of the difficulties, says the report, is that management has to negotiate with 45 different bargaining units (chapters), "each jealously guarding its independence." Last year about 20m copies of the paper were lost as a result of industrial disputes.

The Commission suggests that the appointment of a senior manager responsible for labour relations should be matched, on the union side by a reduction in the number of chapters, with much greater power and responsibility given to the federated house chapter, which represents the interests of all the bargaining units. It says the chapters appear to have complete power over the selection of non-craft workers.

The report adds that after a review of the equipment offered by 14 suppliers of computerised typesetting machinery, the management is drawing up a specification for its requirements. It was recognised, however, that negotiations with the unions on the introduction of new technology were likely to be lengthy.

The report says the Telegraph's position in the newspaper market, particularly in the quality section of the Press is particularly good. Its overall marketing strategy is said to be well thought out, particularly in the vigorous development of the classified advertisement market, where it had a 37 per cent share in 1977.

Estimated trading profit for the paper during 1978-79 is £2.61m, compared with £3.1m the previous year.

Newspaper and ink costs and wages and salary costs each accounted for over a third of the total costs, the report says.

The planned sale and leasing back of the Daily Telegraph building is expected to realise between £5m and £6m to be used for new technology and the modernisation of the publishing rooms.

An increase of working capital of £3.24m is expected in 1978-79 when wage and salary costs will increase by £5.06m to £26.84m. On an historic cost accounting basis, the return on capital is estimated to be 16 per cent in 1978-79.

The Telegraph employs about 2,800 people. The management estimates 200 are not needed.

The Commission's report shows that stoppages and breakdowns in the machine room have increased considerably in the last few years.

The Daily Telegraph Limited—Cover Price of The Daily Telegraph—Price Commission (HMSO £11).

£19,000 Netsuke record

BY PAMELA JUDGE

A WORLD record price for a Netsuke—belt toggle—was set at Christie's in London yesterday. The tiny ivory carving of a fisherman and a hen, valued at £19,000, bid by Bernard Hurlig of Honolulu, against a previous high of £11,500. It was the work of Kaigyokusai Matsuzugu of Osaka (1813-1892). The sale of Netsuke in the morning and afternoon sessions totalled £174,440 with the early session amounting to £119,445.

At the Phillips sale of furniture and carvings, a talking pot was the £10,500 given by Mrs. Maria Baer for a 16th Century Flemish carved oak panel which had been rescued from a rubbish tip and which is riddled with

woodworm. The pre-sale estimate was £2,000-£4,000. The sale totalled £114,500.

Musical instruments went under the hammer at Sotheby's, realising £196,947. The top price, from a private buyer, was £21,000 for a Guarneri violin and a Tokyo buyer was successful at £14,000 for a Gagliani violin. Chinese snuff bottles sold by the same house fetched £28,628 with £4,200 being given for a large Soochow jade item.

Record shops agree to pay licence fee

BY COLLEEN TOOMEY

THE LEGAL battle by Harlequin Record Shops to play music in its 50 outlets without paying a tariff to the Performing Rights Society was last yesterday when the company agreed not to appeal against a High Court injunction granted more than six weeks ago.

The decision was included in a four-part agreement bringing to an end of much conflict between the Performing Rights Society, representing composers and music publishers, which brought the action against Harlequin, and the Music Trade Association, representing many of Britain's 7,000 record retailers.

Another feature of the new accord between the two bodies is the agreement by the association to advise all members to take out an annual PRS licence fee for all copyright music performances given on their premises. The fee ranges from £15 to £35, according to the size of the shop and is required under the 1958 Copyright Act.

The only exception provided by the PRS is music played in soundproof booths or through headphones.

The licence fee will be backdated to January 1976. Since January 1976, when the PRS started its policy of licensing retail music outlets, the MTA has fought for exemption, saying that records and tapes played in music outlets were not public performances but product demonstrations.

This was overruled by the High Court in January, when it regarded playing records in public places—such as a shop—as an infringement of copyright.

The association has also agreed that retailers will not approach the Performing Rights Tribunal until the licence fee increases from 18.2p a square meter a year.

To return the PRS's will provide the MTA's rebates on all staff training programme with an annual grant of £3,000 over the next five years.

It will also allow the MTA to reimburse the legal costs it was awarded in the Harlequin case—estimated at £10,000—to be spread over the same five-year period without any interest payment on the outstanding debt.

This will be of great benefit to the MTA, which funded the Harlequin case at an estimated cost of £5,000.

Similar High Court action planned by the PRS against other retailers has now been dropped.

Candidates go for bigger cuts

By Colleen Toomey

ASPIRING Tory candidates in key parliamentary seats say they would like to cut a tenth off the official Conservative policy figure for the top tax rate, bringing it down to 50 per cent.

Thirty-eight prospective Conservative candidates in England and Scotland were interviewed by the Association of Independent Business. The survey showed that:

• Almost 70 per cent of those questioned wanted a top tax rate of 50 per cent.

• 60.5 per cent wanted profitable firms in the public sector broken up and sold to private companies.

• 81 per cent said that the National Enterprise Board should have a reduced role. (Only 23 per cent were persuaded that it should be wound up.)

The candidates were split evenly on the issue of abolishing the publication requirement for private limited companies. Fewer than half wanted a change in audit requirements.

• 90 per cent wanted the qualifying period of employment under the Employment Protection Act extended from six months to 12.

• Only 15 per cent believed that worker directors should be elected to a secondary board in larger firms, while 92 per cent said that if such a scheme was made law directors should be elected by the workforce.

Private housing land prices 'up 22% last year'

By Paul Taylor

THE PRICE of land for private housing was 22 per cent higher on average last year than in 1977, according to Government figures published yesterday.

Department of the Environment figures are based only on a small number of transactions, but suggest a rapid increase in land prices during the second half of 1978.

Average prices for 1978 as a whole were about £2,390 for a plot of 554,800 a hectare. This represented a 28 per cent increase over prices in 1975, the base year.

However, average prices rose by 8 per cent from the second half of 1977 to the first six months of 1978, while the increase during the second half of 1978 was 20 per cent over the same period in 1977.

The figures are based on transactions involving sites of 100 or more sq metres. The Island Revenue Valuation Office in the two half-year periods. Transactions are usually reported about six weeks after completion.

Private sector housing land prices remain stable in 1976, and increased by 8 per cent in 1977.

The businessman's guide to incentives available in the Areas for Expansion.

Capital grants

Manufacturers can obtain capital grants of 20% or 22% for new buildings; also for new plant and machinery in many Areas. Tick here

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Rent-free offices

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Above is a brief guide to the investment incentives available in the Areas. They apply to companies moving into, or already in, the Areas for Expansion. Greater benefits are available in Northern Ireland. Are you planning your company's future now? Before you do anything, it could pay you to get in touch first with your nearest Industrial Expansion Team. Or tick the box(es) above for the information you want and send in the complete coupon.

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ISSUED BY THE DEPARTMENT OF INDUSTRY AND COMMERCE, 2, MILLBANK TOWER, LONDON SW11 4QU. PHOTOGRAPH BY GUY AROLD FOR THE FINANCIAL TIMES

Fidelity to take over HMV trademarks

BY MAX WILKINSON

FIDELITY RADIO, the only large-scale manufacturer of radio sets in the UK, is to take over the famous "His Master's Voice" and HMV trade marks from EMI.

The agreement is part of a move by Fidelity into the market for higher value audio and hi-fi systems.

Fidelity's own trademark has

become associated over the years with low-cost radios and record players. Recently, however, it has started to make higher-priced music centres, which include a record player, tape deck and radio all in one unit.

The products to be marketed under the HMV label will include three music centres and a hi-fi system.

Peabody Holmes lands £2m waste-plant orders

BY PAUL TAYLOR

PEABODY HOLMES has won orders worth over £2m for the supply of solid waste processing and handling plants. A complete refuse pulverisation plant is to be installed at Sompting, in the West Sussex County Council, and another large-value order is to supply plant which will be used to process domestic and commercial waste for disposal in cement kilns.

For Blue Circle Industries the plant will provide a constant supply of treated refuse to be used with the primary fuel to fire the cement kilns at the Westbury Works.

Peabody Holmes has also won two Romanian contracts for desulphurisation plant valued at over £1m.

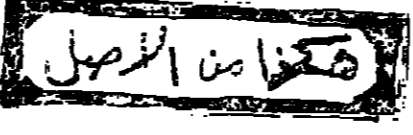
QUALTER, HALL AND CO. has won the first order worth more than £1m to be placed by the National Coal Board for mine mechanical handling equipment in the Selby colliery. The work involves designing, supplying, and erecting mechanical equipment such as headgear, cages, overwind safety catchgear, mine

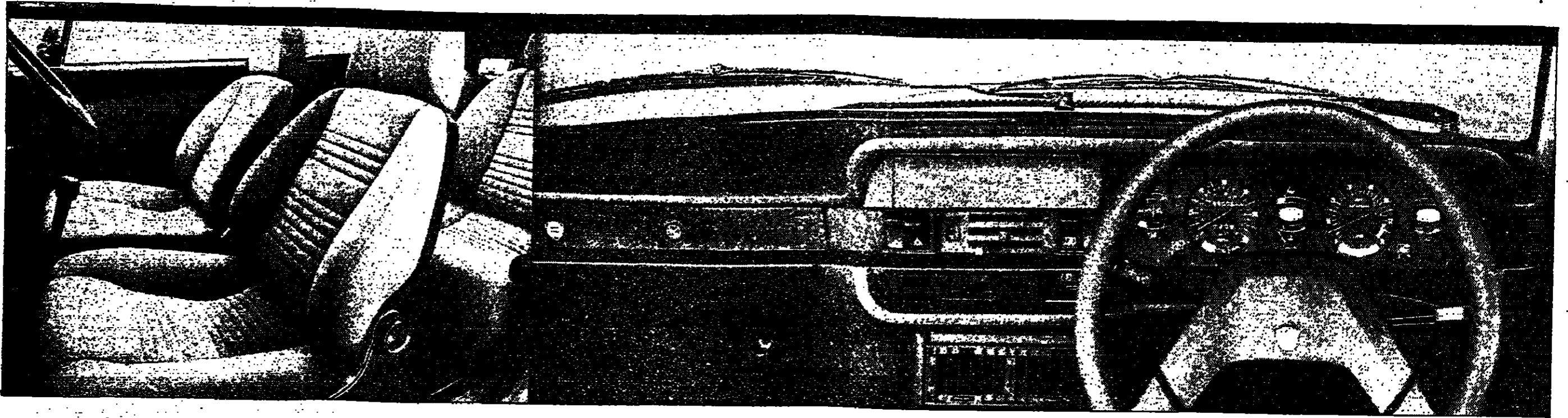
car handling for surface underground, full shaft signalling and electro-hydraulic control gear.

LESSER has been awarded a contract worth £722,000, to provide a research centre to house laboratories and associated administrative offices for Johnson Wax research scientists.

FRENCH KIER CONSTRUCTION, a member of the French Kier group, has been awarded a contract worth £1m, for an extension to an existing factory plus additional work within the factory. The work at Eltham Estate, Beccles, Suffolk, is for Fibrenyle and comprises a single storey steel frame structure measuring 97.00 metres x 31.00 metres x 7.00 metres high with reinforced concrete bases and strip foundations.

FEEDBACK INSTRUMENTS has won an equipment order worth over £150,000 from the King Abdul Aziz University at Jeddah in Saudi Arabia for laboratory equipment.





MORE BAD NEWS FOR THE ORDINARY ESTATE AND COUPE.



The news is that we have introduced an even more refined version of both the Lancia Beta Coupe and the Lancia HPE (high performance estate). When these two very stylish, superbly engineered cars first arrived in Britain, our rivals were dismayed and the motoring public delighted. For many people, the cars were love at first sight. And now we've made them even more appealing. By adding subtle refinements on the outside and completely re-designing them on the inside. The seats are totally new and exceptionally comfortable. They are covered in the new soft fabric with all the elegance and luxury of wool.

And the front seats slide forward automatically to make access to the rear as easy as a four door car. The very comprehensive instrument panels and controls have been restyled to make them easier on the eye and simpler to use. And all the major controls, including lights and wipers are grouped on the steering column within fingertip reach. We've even added a bright, and accurate digital clock. But we've also made some significant changes to the power unit. By modifying the carburation and adding electronic ignition, the all-round performance has been improved and first time starting is even easier.

You can judge for yourself by driving either of these new cars at your Lancia dealer. He'll be pleased to demonstrate the all-out power and performance of the 2+2 Coupe and show the cavernous luggage space and remarkable flexibility of the three door HPE. But if you want to be one of the fortunate few, hurry. Because good news travels fast.

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Prices include VAT at 8% and car tax, inertia reel seat belts and delivery charges on UK mainland, but exclude number plates. Personal Export: If you are eligible to purchase a Lancia free of taxes, contact our Export Department.



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UK NEWS

Five exporters face police fraud inquiry

BY CHRISTINE MOIR

THE EXPORT Credits Guarantee Department has called in fraud squads throughout Britain to investigate five companies for which it provided finance during the industrial recession of 1974-76.

validity and accuracy of export order forms, bills of lading, invoices and payment statements.

Plessey changes at top



SIR JOHN CLARK chairman and chief executive of Plessey (pictured above) has given up some of his direct control over the company in a series of management changes made yesterday.

Hauliers hoping for some exemptions from tachograph

BY LYNTON McLAINE

BRITAIN'S ROAD hauliers are hoping to persuade the Government to exempt certain vehicles from regulations requiring the fitting of tachographs.

The Road Haulage Association, Britain's main trade organisation for contract hauliers, has been opposed to the use of tachographs, but now accept the Government decision, announced on Monday, to bring Britain into line with the regulations of the European Commission.

Energy-saving report against compulsory measures

A GOVERNMENT report on energy-saving measures published yesterday comes out against "the introduction of a significant element of compulsion at this stage."

increase industrial efficiency and competitiveness." It adds that certain mandatory measures might also be considered "a serious infringement of the liberty of the individual."

expected to cost more than £450m during its first four years.

Rising petrol prices may close garages

BY SUE CAMERON

RISING PETROL prices may force many more small, independent garages out of business because they will not be able to afford to convert their pumps to £1 a gallon fuel, the Motor Agents Association said yesterday.

under pressure from competition by petrol station-owning oil majors such as Shell and Esso, would be unable to afford these prices.

BANK

Base rate

Australia and New Zealand Banking Group Limited announces that on and after 7th March 1979 its base rate will be

13% per annum

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

71 Cornhill, London EC3V 3PR. Tel: 01-623 7111



Clydesdale Bank

BASE RATE

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Table with 2 columns: PROJECT COST and RECOVERY. Rows include Factory buildings (£200,000), New plant and machinery (£300,000), Total Project Cost (£500,000), Net Cost of Project (£178,000), Building grant (£44,000), Plant and machinery grant (£66,000), Total Savings (£322,000).

There are no strings attached to this method of financing your project. It's government money which means your money - use it to grow! At Newcastle we're waiting to help you grow.

similar services) also can qualify for substantial grants. Tell us your requirements and we'll tailor a package specially for you, including sites, buildings, people, plus all the cost saving and funding schemes for your project.

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Form for Newcastle business move information, including fields for Name, Position, Company, Address, and TEL.

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COMPANY NOTICES

ASEA Aktiebolag VASTERAS, SWEDEN. NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders will be held in Vasteras, Sweden on Thursday, 22nd March, 1979, at 4 p.m.

GREATERMANES STONES LIMITED (Incorporated in the Republic of South Africa). NOTICE TO SHAREHOLDERS. DEPARTMENT OF INDUSTRIAL DEVELOPMENT AND TRADE.

N.V. ENGELSCHE HOLLANDSCHE RIJN-EN-SCHIEDAMSCHER TRUST. NOTICE IS HEREBY GIVEN that an Ordinary General Meeting of Shareholders will be held at the offices of the Company, Rotterdam, The Netherlands, on Thursday, 22nd March, 1979, at 10.00 a.m.

UNION CORPORATION LIMITED (Incorporated in the Republic of South Africa). DEPARTMENT OF INDUSTRIAL DEVELOPMENT AND TRADE. NOTICE TO SHAREHOLDERS.

BY Order of the Board, Secretary, 220, Cannon Street, London EC4A 3DF. N.V. ENGELSCHE HOLLANDSCHE RIJN-EN-SCHIEDAMSCHER TRUST.

THE COMMERCIAL BANKING COMPANY

NOTICE IS HEREBY GIVEN that the Treasurer and Register of Holders of Shares in the Commercial Banking Company Limited will be held on Monday, 12th March, 1979, at 10.30 a.m.

CLUBS

EVE, 188, Regent Street, T44 0557. A. is Cards or All-in Means. Three Spectacular Floor Lanes, 10.45, 12.45 and 8.00 p.m.

LEGAL NOTICES

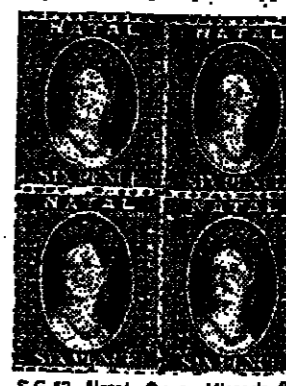
THE HIGH COURT (IRELAND) BANCROPTCY. BRIAN LEONARD, formerly of Elm House, Thurles Street, Reading, Berkshire, England, and 88, Hill Lane, Farnham, in the County of Surrey, England, is a Director of the Company.

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W.1. 01-623 6176. Last evening of Photography by ROGER FENTON 1975-1980 in aid of the Royal Photographic Society's 100th Anniversary. March 7 to 20, Mon-Fri, 10-5.30, Sat, 10-12.30.

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Reality is the moment when one buys a BMW rather than a car.

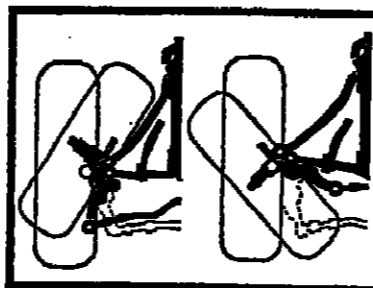


Compromise, in automotive engineering, seems to be the rule rather than the exception. BMW regard this as unnecessary. As soon as one closely examines or drives a BMW one realises that it is the sense of balance, not compromise, that gives a BMW its unmistakable character.

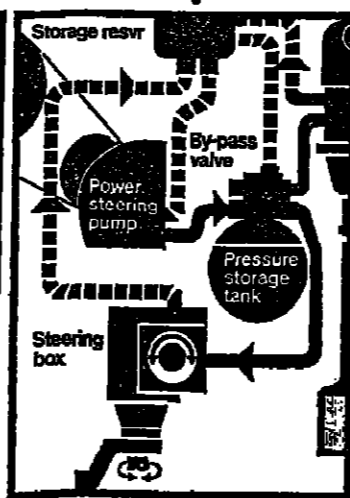
The BMW 7 Series are luxury cars. The discreet design reflects the solid quality found throughout. It is that certain kind of quality that one takes pride in. It offers other, more practical, advantages. Inside there's a sense of quiet spaciousness. The seats and ventilation encourage a relaxed alertness rather than soporific comfort and on today's crowded roads this is an important aspect of active safety.

Whilst the 7 Series are refined luxury cars they are, equally, drivers' cars. The three models in the range offer three different engine capacities—2.8, 3.0 and 3.3 litres, the latter with electronic fuel injection. Each produces very

high power to litre ratios and excellent fuel economy. The chassis, with its new double pivot front suspension, offers handling incomparable in this size of car. The power steering is speed-related. As the engine speed increases a pressure relief valve draws off hydraulic fluid before it reaches the power steering box. The result is



Double pivot front suspension.



Speed-related power steering.

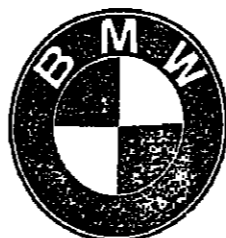
that one gets maximum power for steering at parking speeds, then diminishing assistance as speed increases to give greater road 'feel.' However, if at speed the front wheels hit severe bumps, or a tyre deflates, then the steering power immediately increases again to cope with the extra forces created.

This attention to design is found throughout the BMW 7 Series. The sum of them all make the realities of driving an exceptional pleasure.

Leasing. In today's financial conditions, leasing a BMW can create substantial advantages. Your local BMW Centre will be happy to put you in touch with expert advisors on leasing who can describe the schemes in detail.

Insurance. Your local BMW Centre can now also help you with insurance.

Prices:
728—£10,276. 728A—£10,728. 730—£12,149. 730A—£12,601.
733i—£13,249. 733iA—£13,701. Prices correct at time of going to press.



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UK NEWS

Thomas Cook pre-tax profits reach £6.28m

BY JAMES McDONALD

THOMAS COOK, the travel organisation and a Midland Bank subsidiary, had another record year in 1978. Mr. Tom Fisher, chief executive, said yesterday.
Highlights of the company's operations last year included the introduction of a new French travellers cheque in co-operation with the Societe Generale. This brought the number of Cook's foreign currency cheques up to nine—more than any of its competitors.
A new managing director had also been appointed for the Middle East, where business was expanding. A new office was opened in Bahrain, and the company was negotiating to open others in Saudi Arabia, Dubai and the Gulf States.
Eight new offices had been opened in Australia. A hotel reservation system and inbound travel operation had also been acquired. These would be developed this year in time for the increased traffic expected from lower air fares.
There was continuing expansion in the U.S., with more new offices.

Neill heads gilts issue inquiry

By Christine Moir

THE COUNCIL for the Securities Industry has set up a four-man committee to investigate difficulties that arose during the Bank of England's recent gilt issue. The committee, headed by Mr. Patrick Neill, QC, chairman of the CSI, will meet early next week. Representatives of both the Bank and City brokers will be present. The secretary of the CSI, Mr. Oliver Page, said yesterday that the council hoped the investigation would take only one session. The results would be published. The committee was set up after a letter of complaint signed by Joseph Sebag and Vickers, da Costa, two of the leading firms that failed to get all their applications for the new issues to the counter in time.

Comprehensive switch delayed

The Government has conceded that the change to comprehensive schooling in Kingston-upon-Thames need not take place until 1980. The Conservative local authority had previously been told to start comprehensive education this year.

Fine Fare to join High Street discount battle

BY PAUL TAYLOR

FINE FARE, the supermarket group, is to join the High Street price war next week with a new long-term discount campaign which the company claims could save shoppers £5m during the year. Called Cash In, the nationwide campaign will cover a number of basic grocery items offered at "exceptionally deep cut prices." All Fine Fare stores will feature the Cash In pricing package, adding 200 items at long-term discounts to the shelves. The campaign, launched because of continuing promotions by other supermarket chains, including Tesco and J. Sainsbury, will be backed by newspaper and television advertising. Tesco and Sainsbury, which led the price-cutting campaign over the last 18 months, succeeded in substantially increasing their market shares at the expense of the small regional supermarkets and independent grocers. The market leaders have now renewed their campaigns in an attempt to consolidate their positions. Fine Fare's share of the market has been hovering around 4 per cent and it averaged fourth in the High Street league table last year. Mr. Wallace Monaghan, Fine Fare chairman, said yesterday that the company had plenty of experience of short-term discounting and the Cash In promotion was launched after tests in over 100 stores last year. He believed that Cash In would benefit the customers and the company.

Car trim plant to close, with 200 jobs lost

A FACTORY in the West Midlands is to halt production and make 200 workers redundant, following a BL Cars decision to withdraw part of a contract to supply trim for the TR7 sports car. LCP Trim, of Cradleigh Heath, part of the LCP group, has been losing money since August 1977. The company's production was affected by the transfer of TR7 assembly from Speke, Liverpool, to Canley, Coventry. BL Cars now has sufficient capacity to do some of the trim work in-house.

National Trust buys sites

THE NATIONAL Trust has bought a 40-acre site adjoining the Wirral Country Park, Cheshire, with the aid of a £28,500 Countryside Commission grant. The balance for the £32,000 site came from the trust's Enterprise Neptune funds. The Neptune scheme was designed to save unspoiled coasts from development. The land includes a stretch of coastline, and features views towards the Dee estuary and north Wales. A Countryside Commission grant and funds from Enterprise Neptune have also enabled the National Trust to buy Great Farthingloe Farm, Dover, from the Ministry of Defence for £25,000. The farmland includes under 200 acres of coast close to the White Cliffs.

Legal and General pension funds pass £1bn

By Eric Short

PENSION investments handled by Legal and General Assurance have passed the £1bn mark since the service began eight years ago, said Mr. Keith Hall, pensions manager when he presented the company's 1978 investment report yesterday. The company has four pension funds of which the mixed fund of equities and fixed interest is the largest at £520m, while the property fund amounted to £416m at the end of 1978. Mr. Hall said that pension funds or insurance companies had no desire or capacity to dictate to the Government on interest rates or other market factors or to stage an "investment strike." He said that the financial institutions competed against each other and did not conspire with one another in financial markets. Investment advice, he said, was offered from many different quarters covering a wide range of expertise, specialisation, method and technique. Mr. Hall did not consider there was any conflict of interest between the saving community and the economy. The responsible pursuit by pension fund trustees of long-term investment objectives in the interest of their members advanced the wider national interest. Company report, Page 21

Canada 'will resist' UK move to force airline to Gatwick

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE CANADIAN Government "will vigorously resist" any attempt by the UK to force Air Canada to move its scheduled services from Heathrow to Gatwick Airport. Mr. Paul Martin, Canadian High Commissioner to the UK, said in Chester last night that Canada regarded the UK as behaving in "a very discriminatory fashion" in asking Air Canada, one of the longest residents of Heathrow, to move. Mr. Martin told the Cheshire branch of the English-Speaking Union of the Commonwealth that while a move to Gatwick might improve connections between Canada and the beaches of Benidorm and the holiday resorts of the Mediterranean, "it is what visitors and businessmen to and from our respective countries really want?" "It is far from me to question that Heathrow may be congested. But we were there among the first, if later arrivals cause congestion, then it is they who should be asked to move elsewhere." The Canadian Government is seriously concerned about even the suggestion that its national airline could move to London's second airport. "My Government will vigorously resist any suggestion of moving the national airline of a senior commonwealth partner, and one of Britain's closest friends, to London's second airport." The Gatwick Area Conservation Campaign is to launch an all-out attack on the British Airports Authority's plan to build a second terminal at Gatwick. The GACC believes that a second terminal is "virtually certain to lead to a second runway with all its further implications."

Gallaher action halts Jersey competitor

CIGARETTE manufacturers, Gallaher, and its Benson and Hedges subsidiary were granted an injunction in the London High Court yesterday, halting a Jersey group and its London wholesalers from selling or advertising cigarettes in the UK under the brand name "Supreme." Judge Mervyn Davies, QC, said J. F. Germain and Son, of St. Helier, had manufactured "Germain's Supreme" cigarettes for years. Most were exported. Earlier this year the firm, through wholesalers William P. Solomon of London, expanded its operation to the UK. Gallaher launched a "passing-off" action because, under the Benson and Hedges title, they had been selling a "Supreme" brand cigarette since spring, 1978, and felt the goodwill and reputation they had achieved under that name were threatened. The judge held that there was a case to be tried and granted an injunction pending the full hearing of the Gallaher action. Official guide to statistics DETAILS of earnings, wage rates, industrial production and prices are contained in a guide newly published by the Government Statistical Service. It lists the main regular publications containing these and many more official statistics, as well as sources for obtaining information. Addresses and telephone numbers of these sources are also given. Government Statistics — a brief guide to sources (Press and Information Service, Central Statistical Office, Great George Street, London SW1P 3AQ. Free).

NEWS ANALYSIS — HARTLE MACHINERY

Chequered history of performance

HARTLE MACHINERY International, which went into receivership at the end of last week, has had a chequered history as regards both its trading performance and the financial deals in which it has been involved. The company was known originally as Edward G. Herbert, but the name was changed in 1974 to Hartle Machinery International, partly to avoid confusion with Alfred Herbert. The new name was taken from Mr. Derek Hartle, a forceful and somewhat controversial figure in the machine tool industry, who had become chairman of the group several years earlier as a result of a reverse take-over of Herbert. At the time of the last published report and accounts, for the 18-month period ended June 30, 1977, the group consisted of no fewer than 28 companies. Most of them are in the machine tool industry, in both manufacturing and distribution. They include five manufacturing companies — Ackworth Machine Tools, Kenilworth Alexander Machinery, Dudley Broadbent Machine Tools, Halifax; Quilters and Smith; Barnsley; and Stanley Machine Tools, also in Halifax. They make a range of standard machine tools, including sawing machines, lathes, and drilling and boring machines. From Mr. Hartle's comments in the annual report it would seem that the manufacturing companies have not been the cause of the group's going into receivership. The trouble seems to lie with the distribution companies, which import machine tools from several countries as well as distributing British products. If that is the case — and the company is not commenting in any detail — it is surprising, since many distributors of machine tools have found the going easier in the past few years than the manufacturers. This has been particularly the case recently, when manufacturing industry has been investing more than at any time since the beginning of the '70s. The group's profits to June 30, 1977, were £187,000 on a turnover of £11.46m, a result which indicated the pressures on Hartle Machinery. More worrying, however, was the high level of borrowings revealed in the balance sheet, which amounted to 186 per cent of shareholders' funds. The latest published trading figures, issued in April, 1978, showed pre-tax profits of £173,100 on turnover totalling £4.62m for the six months to December 31, 1977. Before the group asked the National Westminster Bank to appoint a receiver last week, strenuous efforts were made to try to find some other solution. It emerged that the National Enterprise Board, which started a loan scheme to help to finance stocks by machine tool companies during the most difficult years of the recession, is the second biggest creditor of Hartle Machinery. Apart from Alfred Herbert, which has received £5.7m under the scheme, Hartle Machinery has been the main beneficiary of the scheme. It has received some £500,000 out of a total £920,000 lent out (apart from Alfred Herbert). With accrued interest, this amounts to over £800,000 which is owed to the NEB. A proposal put by the NEB to Hartle Machinery would have involved its purchase of some of the manufacturing companies in the group. This was rejected by the group, and by the National Westminster Bank, in the middle of last week. Hartle then went to the Department of Industry in search of financial assistance, but it was refused. The NEB was advised to put in its own receiver — Mr. John Warren, of Whitney Murray — because its security for the loan (there is no equity involved) is with Edward G. Herbert, a non-trading company within Hartle Machinery. On Monday, the National Westminster Bank named Mr. M. Jordan and Mr. R. Stone, of Cork, Gully, as its receivers. The financial deals for which Hartle Machinery International has been used have aroused some controversy. Nearly two years ago the group paid the Hartle family £500,000 (in the form of shares) for the issued share capital of Derek Hartle, which was owned by the Hartle family. Three months later Mr. Derek Hartle sold a quarter of the shares he and his family had received from the transaction. Dealings in the shares of the group have also been part of a wide-ranging Stock Exchange inquiry. The collapse of Hartle, which ranks about tenth in the list of British machine tool manufacturers, was not wholly unexpected. In fact, it is being viewed coolly in the industry. What has surprised some observers is that the NEB ever considered taking over Herbert, and another machine tool company, on board.



G.K.N., KELLOGG'S, METAL BOX COMPANY, CONTINENTAL CAN, E.R.F., JAEGER, G-PLAN, J.C.B., TETRA PAK are, between them, investing over £100,000,000 in industrial development in Wrexham. In fact every month since 1974 a new project has commenced in the area. Why? Because the pioneering range of services and incentives offered in this progressive Borough are second to none. Here are some of them: * Excellent industrial relations record * Rent-free periods in advance factories * Easy access to major markets * Development area and E.E.C. financial incentives * Welsh Development Agency assistance. To beat the rush and stake your claim, take the first step by sending for our colour brochure now. Wrexham Maelor Borough Council. To the Chief Executive Officer, The Guildhall, Wrexham LL11 1AY, Clwyd, North Wales, U.K. or telephone R. J. Dutton or D. W. Jones or H. Przbiram at Wrexham (0978) 4611. Please send me details of industrial incentives at Wrexham. Name: _____ Company: _____ Address: _____ Tel. No. _____

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Association of British Generating Set Manufacturers. 21 John Adam St., London WC2N 3JH. Tel: 01-839 6171. Auto Diesel Brabji Ltd. Dale Electric of Great Britain Ltd. Dawson-Keth Limited. Elequip Limited. R.A. Lister Power Plant Ltd. Pabrow Limited. Pexco Power Generation Ltd. G&M Power Plant Co. Ltd. Grafhame Patrick Ltd.

Bank of India announce that on and after 7th March, 1979 the following annual rates will apply: Base rate 13% (Decreased from 13 1/2%) Deposit rate (basic) 10 1/2% (Decreased from 11%) Bank of India

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مكتبة الامم المتحدة

NATIONAL INSTITUTE OF ECONOMIC AND SOCIAL RESEARCH QUARTERLY REVIEW

Doubts over pay outlook 'demand cautious Budget'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE BUDGET should be neutral rather than positively deflationary, according to the National Institute of Economic and Social Research in its latest quarterly review, published this morning.

rise to over 1.5m by the end of 1980, and with the current account of the balance of payments likely to be in surplus, even on the assumption of a stable exchange rate, there would, under normal circumstances, be a clear case for some degree of reflation.

degree of uncertainty about the outlook for pay argues for a cautious approach to the question of reflationary action. But more generally, even if not wholly rationally, an apparent association of the breakdown of the pay policy with reflationary action is simply not convincing as an economic strategy.

settlements. On balance, therefore, until the present pay crisis is resolved, we argue for a neutral budget.

rate were to fall to preserve competitiveness. The review argues that "the acceleration of wage and price inflation now under way offers little scope to those who believe that free collective bargaining with unreformed institutions is an adequate solution to the problem of wage inflation."

rate in 1978 had any effect in moderating wage claims in the current round. "The destruction of these illusions may, however, be the precondition of renewed progress. We have argued the case for incomes policy over many years, though we have consistently warned of the dangers of temporary and inflexible policies, and urged the need for permanent and properly articulated machinery to cope with relativities."

Rise in living standards forecast although GDP disappoints

FURTHER RISES in living standards, as measured by real personal disposable income and consumer spending, are expected this year by the Institute on the basis of a 14 per cent rise in average earnings.

SUMMARY OF FORECAST (November projections in brackets)

Prospects look bright in Europe, but darker in North America

A FURTHER improvement in the economic position of Western Europe should occur this year with a further worsening in North America.

goes on and for industrialised countries as a whole the rise may be between 7 and 7½ per cent in 1980.

CHANGES IN MAIN COMPONENTS OF DEMAND IN OECD COUNTRIES

Public spending, however, is likely to be restrained, and private fixed investment is now expected to rise less than the Institute forecast in its last review in late November.

the 1977 Finance Act, but no indexation of indirect tax rates. The existing monetary targets are expected to be rolled forward and the exchange rate is assumed to be held up at its present level for the next two years.

The recent loss of competitiveness, coupled with a continued stable exchange rate, is expected to be reflected in some loss of the UK's market share in world trade in manufactured goods.

In view of the projected rise in the labour force, this leads to the expectation of a rise in unemployment in Britain from under 1.3m (5.4 per cent, excluding school leavers and seasonally adjusted) at the end of 1978 to 1.4m (5.9 per cent) by the end of this year and 1.6m (6.7 per cent) by the end of 1980.

Pessimism This is the net result of a number of changes rather than of one particular dominating change of view. With accelerating price inflation, the Institute no longer expects a fall in the savings ratio, the projected growth of public spending has been revised downwards and there is now greater pessimism about the likely growth of imports.

the Institute expects a slowing down in the economy in 1980. As prices begin to catch up with wages the rise in real personal income and expenditure is moderated. Public spending is likely to remain subdued and private fixed investment to slacken, while imports are expected to continue to grow.

Imports of goods (excluding oil and gas) are forecast to rise at about twice the rate of increase of total final demand. But after taking expected falls in oil and gas imports into account, total imports of goods and services are expected to grow in real terms by about 4½ per cent in 1979 and by about 5½ per cent in 1980.

The financial forecasts have been significantly revised with public sector borrowing now forecast at £8.6bn (6 per cent of nominal GDP) in 1978-79, compared with £8bn forecast by the Treasury. The Institute projects a rise to £8.9bn (5.3 per cent) in 1979-80 and £10.3bn (5.5 per cent) in 1980-81.

Accelerate Consequently, consumer price inflation is expected to accelerate from a rate of 7½ per cent in the fourth quarter of 1978 up to 10 per cent during 1979 and nearly 11 per cent during 1980.

The result is that real personal disposable income is expected to increase by about 4½ per cent this year and by just under 3 per cent in 1980, following the estimated rise of 6 per cent last year. On balance, the savings ratio is not expected to change so that the volume of consumer spending is projected to rise by nearly 4 per cent this year and just under 3 per cent next year.

Modest rate Taken together, these forecasts imply an increase in real Gross Domestic Product of just under 3 per cent this year and of just over 2 per cent next year. Allowing for a modest rate of increase of productivity, the Institute expects no further increase in employment this year and a slight fall in 1980.

Resist The review also discusses forecasts on various alternative assumptions. For example, if earnings rose by 20 per cent a year from now on, and the effective exchange rate fell by a tenth, both in 1979 and 1980, the rate of consumer price inflation might rise to around 13 per cent this year and to between 16 and 17 per cent in 1980.

HO, U.S.A. ND INVESTMENT

ESTIMATES AND FORECASTS OF THE GROSS DOMESTIC PRODUCT

TO LET

Table with 10 columns: Index, At factor cost, Consumers' expenditure, authorities' current spending, Gross fixed investment, Exports of goods and services, Total final expenditure, Imports of goods and services, Adjustment to factor cost

EDUCATION

Table with 10 columns: Public sector borrowing requirement, Sales of public debt to non-bank private sector, Change in currency, External financing of public sector, Bank lending to public sector, Bank lending to private sector, Bank lending overseas, Domestic credit expansion, Foreign currency finance, Bank's non-deposit liabilities (net), Change in money stock (sterling M3)

TRAVEL

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ADVERTISEMENT

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Potential gains of EMS 'not self-evident'

A SCEPTICAL VIEW of the likely benefits from the proposed European Monetary System is presented in a special article by the Institute.

The article notes that the most striking feature of last July's Bremen proposals for a new EMS was the scepticism, and in many cases hostility, with which they were received by professional economists of all major schools of opinion—orthodox, monetarist and international monetarist.

"In addition, there have to be convincing procedures for bringing about the convergence of all the economies, not only with respect to inflation but in employment and balance of payments targets as well.

is higher than average, but only at the cost of a reduction in output and employment.

"The creation of a single common market and monetary union may reproduce the regional problems of differences of activity and employment only seen now at the national level.

"Within the new community some members may find their entire economy suffering various regional disabilities, for example abnormally high unemployment, but they will no longer have the exchange rate instrument to assist recovery.

"The potential gains from a monetary union are not self-evident for the community as a whole, still less for any individual member. A viable scheme requires both the institutions and the political will to bring about the necessary systematic transfer of resources on the required scale.

"Whatever EMS might achieve for the stability of the relative rates of member countries, it is not at all clear that it would reduce exchange rate fluctuations between the major currency areas of the world."

National Institute Economic Review, number 87, from National Institute of Economic and Social Research, 2 Dean Trench Street, Smith Square, London SW1P 3HE, price £4.00 for a single issue or £14.00 (in the UK) for an annual subscription.

THE HONGKONG BANK GROUP BASE RATES The Hongkong and Shanghai Banking Corporation and The British Bank of the Middle East announce that their base rate for lending is being decreased, with effect from 7th March, 1979 To 13% per annum from 13½% per annum

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UK NEWS — PARLIAMENT and POLITICS

LABOUR

Ethnic grants disturb

Tory unity

By Elinor Goodman, Lobby Staff
THE SHADOW CABINET could face a Right-wing rebellion among its backbenchers over its response to the Government's proposals for giving money to socially disadvantaged ethnic groups.

PM to ponder further on devolution issue

BY PHILIP RAWSTORNE

THE Government had fulfilled its devolution commitment to the people of Scotland, Mr. James Callaghan told the Commons yesterday.



Terry Kirk

His declaration was interpreted as a sign that the Prime Minister did not intend to try to push the Government scheme through Parliament.

Mr. Callaghan refused to clarify the situation. "We ought to have a little time for reflection," he declared.

Better deal for prostitutes supported

PROSTITUTES last night lifted their threat to name some of their highly placed clients.

They decided on silence until after the Commons voted 134 to 50 in favour of Ms Maureen Colquhoun's Protection of Prostitutes Bill, which would give a better deal to prostitutes.

More nurses may support industrial action on pay

BY OUR LABOUR STAFF

MORE NURSES in one of Britain's biggest health unions are expected to support industrial action in protest at their latest pay offer.

The offer made on Monday night along the same lines as terms for a pay settlement for other public service workers was also strongly criticised by the 115,000-strong Royal College of Nursing.

Salaries to average non-manual pay. It has been calculated that this would require increases of up to 36.5 per cent.

Offer to nurses defended

BY IVOR OWEN

BENEFITS available to nurses from the pay comparability study promised by the Government mean that they have already been offered a very large part of what they are asking for.

Exam for directors suggested

BY JAMES BARTHOLOMEW

THE GOVERNMENT successfully pushed through clauses codifying the legal responsibilities of company directors in the Companies Bill yesterday.

Today in Parliament

HOUSE OF COMMONS: Leach Reform Bill second reading, Motions on Appropriation (Northern Ireland) Order and Aircraft and Shipbuilding Industries (Northern Ireland) Order.

Boost for pensioners

A CONSERVATIVE amendment abolishing the earnings rule for pensioners was approved in the Lords last night by a majority of 37 (108-71).

Civil Service pay deal talks begin tomorrow

BY PHILIP BASSETT, LABOUR STAFF

CIVIL SERVICE union leaders meet Civil Service Department officials tomorrow in the first of a series of meetings to examine details of the staging of a pay settlement for 800,000 white-collar civil servants based on a pay comparability study.

Exam for directors suggested

The Conservatives, while finding the Government's intention admirable, considered it impossible to draft the statute law sufficiently well.

Profit rule changes

THE revised profit safeguard regulations, following the passing of the Price Commission (Amendment) Act last month, were yesterday laid before Parliament and will come into operation on March 28.

Bank progress

THE banking Bill, which has already passed through all its stages in the Commons, was given an opposed second reading in the House of Lords last night.

Conservatives promise to give fourth channel to ITV

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

IF THE Conservatives are returned to power at the general election later this year, they will award the fourth television channel to the independent TV companies, Mr. Julian Critchley, chairman of the Conservative Party's media committee, declared in the Commons last night.

Expose Fleet Street's fiction

BY PHILIP BASSETT

THE GOVERNMENT last month announced that the Inland Revenue would soon be introducing new procedures to stamp out tax evasion by Fleet Street national newspaper workers.

Managements

BY PHILIP BASSETT

Both the Society of Graphical and Allied Trades and the National Society of Operative Printers, Graphical and Media Personnel, the two unions whose members are alleged to be most involved, deny that the practice is widespread and argue it could be entirely averted by decasualising the labour force.

Race safeguards 'will not burden companies'

BY OUR LABOUR CORRESPONDENT

PROPOSALS for a race relations clause in Government contracts should cause no anxiety "unless employers are either entrenched in complacency or have something to hide," Mr. John Grant, Under-Secretary for Employment, said last night.

Peace bid in rig men's strike fails

AN ATTEMPT by full-time union officials to persuade strikers that the oil-platform yard at Nigg, Easter Ross, to return to work failed yesterday.

Mr. Tommy Lafferty, an official of the construction section of the Amalgamated Union of Engineering Workers, called what should have been a mass meeting in a bid to end the three-week strike.

Union will back Dunlop action

By Our Labour Editor

DUNLOP's one-day action today in protest against a plant closure and other redundancies will be backed by the General and Municipal Workers' Union, it was confirmed yesterday.

Today in Parliament

HOUSE OF COMMONS: Leach Reform Bill second reading, Motions on Appropriation (Northern Ireland) Order and Aircraft and Shipbuilding Industries (Northern Ireland) Order.

Managements

BY PHILIP BASSETT

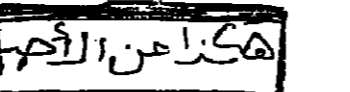
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NEWS ANALYSIS — TAX EVASION

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

COMMUNICATIONS

Siemens facsimile equipment for PO

THE Post Office will shortly be making a limited entry into the facsimile market in London and North Eastern Telecom communications regions. Following extensive evaluation of the Siemens HF 1048 high-speed facsimile transceivers, the Post Office has ordered 100 of these machines to be delivered from the Siemens factory at Congleton in Cheshire.

HF 1048 is about the size of an electric typewriter and is characterised by its ease of operation: the original text or drawing to be transmitted is fed into the transceiver and the recipient is telephoned in the normal way to establish contact.

If the line is free, the caller presses the start button and transmission commences. On completion of transmission, the circuit is automatically switched back to the telephone to allow

confirmation of reception. On replacing the telephone receiver, both the transmitting and receiving equipments are automatically turned off.

It is fully compatible with other manufacturers' machines that conform to CCITT group 2 recommendations. The HF 1048 transceiver will send and receive a full A4 page of information in three minutes.

Because facsimile uses a direct reading method to copy the original there is no possibility of transcription or copying errors. It is, therefore, an ideal medium for communicating long and complex sheets of information, eg. company results, mathematical formulae, invoices, shipping manifests and advice notes.

Siemens House, Windmill Road, Sunbury-on-Thames, 09327 85691.

IN THE OFFICE

Fast copier from 3M

WITH OVER a dozen new copiers likely to be launched in Britain this year, 3M United Kingdom has introduced the Secretary III plain copier for the 5,000/40,000 copies a month market.

Developed and manufactured by 3M, the Secretary III produces its first copy in just over four seconds and subsequent copies at 25 a minute.

Available on rental or by purchase, the copier has a list price of £8,290 which includes an automatic ten-bin sorter and a stand. According to 3M tests, five sets of six originals can be made in less than a minute and a half.

The Secretary III technology is based on the indirect electrostatic process and uses a one-

part dry toner in easily replaceable cartridges. A short 18 in. straight paper path through the machine minimises the chance of paper jams.

It will accept and produce quality copies in a wide range of sizes — from letterheads, coloured stock, ledger stock, bound manual pages and on labels, two-sided copy and transparency film.

According to 3M, there are about 60,000 copiers in operation in the 5,000/40,000 copies a month sector in this country. This is an estimated one-quarter of all copiers used in Britain and is a market worth about £80m.

Further details from 3M, Harrow Road, London W9 2HU. 01-286 6044.

Copes with mass of spares

IN A MOVE towards greater compatibility with other manufacturers' systems B.L. Parts has opted for a 48X Microphax microfiche system for the future dissemination of all parts information and price lists. Coupled with this decision is the recommendation from B.L. Parts to its dealer network throughout the world that they purchase the front projection Mini-Cat TN Reader.

Mini-Cat readers are thought to be the most successful yet and have achieved sales of more

than 150,000 units since their introduction in 1973.

Mini-Cat TN offers a brighter image than is obtainable with comparable rear-projection readers, and having a single mirror, the front projection machine is easier to keep clean. Additionally the Mini-Cat TN provides a more natural reading angle which has a three-position adjustment to suit local conditions, and the screen is shielded from ambient light for readability.

Microphax, 393 Cowley Road, Oxford OX4 2DF. 0865 775621.

PROCESSING

Injected steam heats fast

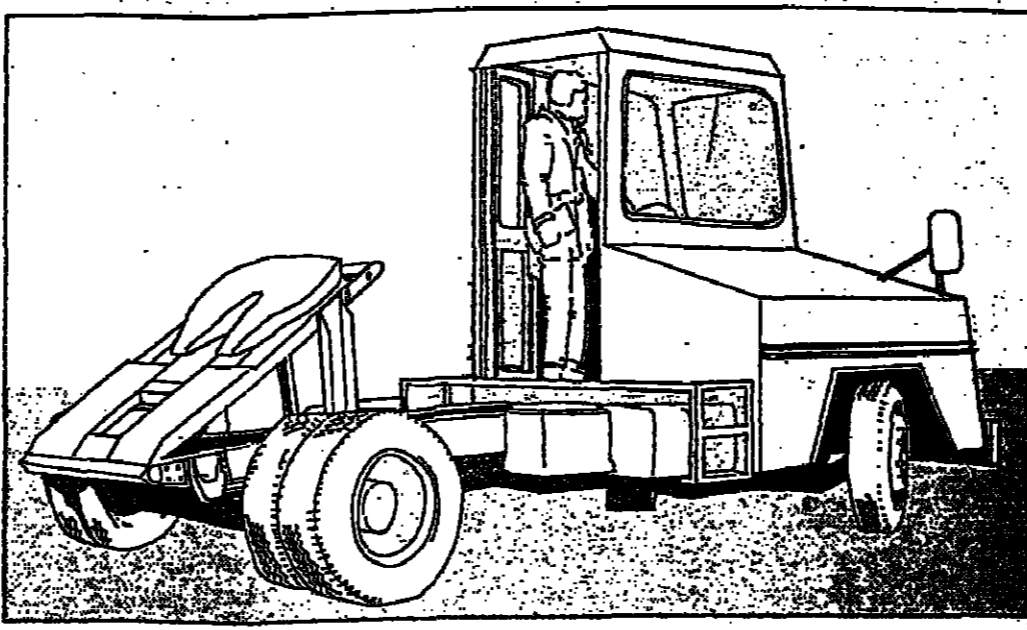
QUICKER AND cheaper heating of process water, as well as some other liquids, is offered with a method of injecting live steam.

The total heat content of steam supplied is transferred and quickly lifts temperatures to the required level. Maximum economy is achieved and no thermal loss occurs as a result of the introduction of intermediate exchange surfaces.

The new Horne injection heater easily fits into existing tanks and other liquid containers. Many applications are to be found throughout manufacturing industry including brewing, food, dyeing, and plating and generally wherever comparatively small quantities of liquid have to be heated quickly and economically.

The Horne heater, only 140 mm x 89 mm (5½ x 3½ in) is capable of operating with a maximum steam supply of 8-bar (120 p.s.i.). Higher steam pressures can be accommodated by the introduction of an orifice plate or reducing valve. The unit can be supplied on its own, or complete with a thermostatic valve.

Horne Engineering Co., PO Box 7, Rankine St., Johnstone, Scotland PA5 8DB. Johnstone, (0305) 21455.



TRANSPORT

Shunter for big road trailers

COMING ON the market soon is a yard-hunter for semi-trailers which has been designed so that the driver can perform most of the shunter's duties whilst sitting at the controls and without having to leave his seat, or clamper round the vehicle, in order to connect couplings, etc.

Either left- or right-hand drive will be available for the steel half-cab which tilts right over for easy access to the engine and radiator. Entrance to the cab is through a tall door

which enables the driver to get up from his swivel seat and walk straight out on to the catwalk behind the front end for connecting or unfastening the emergency air-brake line to the trailer.

There will be no need to touch the landing legs of the trailer because the front end is raised bodily by the Shuntlift elevating fifth wheel, says Lyka Cranes, 382 Blackpool Road, Preston, Lancashire (0772 727927).

Coupling is on a rearhinged sub-frame with side-guides to absorb strain when coupling at an angle. Two hydraulic rams raise the sub-frame.

As the sub-frame is rearhinged it serves as guide rails to ease coupling, whatever its height, and it is held steady at all times so that sway is eliminated.

Dual controls will be an option, including a side access door and a seat which swivels through 130 degrees.

SOFTWARE

Access to masses of data

MONITORING the implementation of a standard Euronet command language is the subject of a new contract won by Scicon Consultancy International.

Scicon was awarded the contract by the EEC Commission. The company will co-ordinate the implementation of the Euronet guideline "Standard Commands for Retrieval Systems." The objective of the common command set is to give the users of Euronet a unified interface to the many information retrieval systems available on the network.

Work will involve liaison with the Euronet host installations implementing the command set; the production of a generalised

user manual; and the revision of the existing guideline to reflect any new experiences.

Three centres where Scicon will monitor and co-ordinate the implementation are DIMEIT, the German Medical Information centre in Cologne; the European Space Agency's Information Retrieval Service in Frascati; and Pisa-based Italian University CNUCE.

Other sites where Scicon will be providing advice are in Berlin, Milan and Paris where the retrieval systems are based on Siemens, Univac and CII computer systems.

Sanderson House, Berners Street, London, W1P 4AQ. 01-580 5599.

COMPONENTS

Cell picks up more light

SANYO ELECTRIC has been developing a low cost, highly efficient photovoltaic cell. As a result, a new structure and proprietary process using amorphous silicon has been evolved.

Cells built in this way can generate efficiently from fluorescent light, are easy to mass produce and very low in cost. In comparison to other solar batteries, in tests made by Sanyo, voltage output is 1.5 times greater.

Sanyo is planning to use this unit in calculators and electronic watches. This development was presented at The

Institute of Electrical Engineers in Japan, Electronic Parts study meeting, on February 16, 1979. There are 12 patents (overseas included) pending.

Existing cells use a single crystalline silicon wafer, or ribbon and are formed by adding impurities to the surface of crystalline silicon. A heat of over 1,000 degrees C is necessary to produce the crystalline material and add the impurities, and a great amount of energy is needed.

With the amorphous silicon photovoltaic cell, a very thin layer of silicon (0.001mm or 1/300th of existing solar batteries) is deposited on a glass or stainless steel substrate in a plasma discharge reaction in silane gas at the much lower temperature of 300 degrees C, saving energy and cutting cost.

Sanyo Electric, 6, 13, 15 Sotokanda Chiyodaku, Tokyo Japan.

DATA PROCESSING

Meeting the challenges from IBM

ITEL's new AS/3-5 is a significant addition to its Advanced System family of processors in that it offers internal performance up to 22 per cent greater than the newly announced IBM 4341 and is equal to the IBM 370/158-3.

Since it is available for immediate customer shipment, this means that some customers will be running the equivalent of the most recently announced IBM machines before the latter can deliver.

The new model is available with 2 Megabytes of processor storage as standard and can be upgraded to a maximum of 8 Megabytes in one Megabyte increments. The AS/3-5 processor memory has high density chips to match compact, efficient packaging with low power consumption.

Itel, Bowater House, 68 Knightsbridge, London SW1X 7LN.

A tilt at Digital

NATIONAL Semiconductor Corporation has announced a new microcomputer line called the Series/200, which is totally software and input/output compatible with the Digital Equipment Corporation's machines.

According to the National, the Series/200 will be marketed to large OEM customers. Detailed information on the product line pricing, availability, service and product distribution will be announced later.

The move is a continuation of work on plug-compatible computer lines marketed by National.

METALWORKING

More machining centres

TWO NEW machining centres from Kearney and Trecker Marwin have a tee-shaped bed with the Z axis travel generated by the table of the leg of the tee, and X axis travel by the column moving along the bar of the tee. The head moving vertically in the bifurcated column generates Y axis movement.

This is a layout similar to the KTM 400 but the new designs have extended the axis and increased tool store capacity and—in the case of the KTM 560—increased horsepower.

On both models, there is a 50 per cent increase in X axis travel from 500 to 750 mm. On the KTM 560 only, vertical Y axis is increased 30 per cent from 500 to 650 mm.

For complex components that require more than 25 tools, KTM have developed a tool magazine with 40 tools capacity. This is standard on both machines. Also, the larger machine has the

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Cass Electronics Limited Phone Egham 5266 for information

National Semiconductor Corporation Harper Centre, Home Bedford, 0234 211262.

Control in key areas

NCR HAS released IMCS (Inter active Manufacturing Control System) in the United Kingdom. It consists of various application modules for use with NCR 3250 and 3400 computers. Four packages of the system are available immediately, a further two will be available in May with two more following later in the year.

The system has been designed to meet the production and inventory control requirements of small to medium manufacturers employing either up to 250 or 250 to around 1,000 people. Included are manufacturers of fabricated metal products; machinery; electronic equipment; instruments; office equipment and furniture, etc.

An important characteristic of the system is its high degree of interactivity. As data is entered via visual display terminals, files are updated immediately so that all data, action and management reports are as current as the last entry made at the terminal. The information time-lag associated with previous batch processing systems no longer applies.

IMCS is extremely flexible. Changes in such factors as forecasts, parts availability and manufacturing capacity which plans and schedules have to be frequently altered and the system is designed to react to these changes. NCR, 206 Marylebone Road, London NW1 6LY. 01-733 7070.

Cleveland factpack

Putting them in place. A detailed map of Cleveland County showing the available industrial land and major roads. Cleveland journey. A five-sided impression of the county, its industrial scene, key workers welcome; family, recreational and scenic attractions. Summaries of essentials. Financial incentives; labour, industrial sites, advance factories, office space, communications, utilities...and more. What others think. FT and Daily Express reprints with independent views of life in the County and its future prospects.



Your first move in the move towards expansion
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- Don't smoke or use naked flames.
- Don't operate electrical switches—on or off.
- Do open doors and windows, to get rid of the gas.
- Check to see if gas has been left on unlit, or if a pilot light has gone out.
- If not, turn off the whole supply at the meter if you can. Then ring us.

Above all, if you smell gas—at home, at work or in the street—ring Gas Service. The number is in the telephone directory under "Gas" and we're on call 24 hours a day. Be specially alert when returning to premises which have been left unoccupied for several days.

For further advice on gas safety, pick up a copy of our booklet "Help yourself to gas safety" at your local gas showroom.

BRITISH GAS
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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Jason Crisp talks to the joint managing directors of Kwiksave about how they have multiplied the size of the company since its entrepreneurial founder quit six years ago amid considerable controversy

The duo who followed a difficult act

Profile

whereas now it has 156 and is opening new ones at a rate of one a fortnight.

There is no doubt that these two have made a success of building up Kwiksave. In 1973 it was quite a small company with a turnover of £27.9m and pre-tax profits of £2.2m. This has grown to £192m, with profits of £9.7m, for the year ending last September.

Although margins have manifestly been squeezed, pre-tax profits as a percentage of sales falling from 7.8 per cent to fractionally over 5 per cent, Kwiksave still has the best ratio of any of the main food retailing groups. In the retail sector, Kwiksave also has the highest turnover per employee at £21,245, according to a survey published last weekend.

Although they may feel they have done enough to bury the Gubay "myth" it would still appear to haunt them, because in the early days Kwiksave was Gubay.

When Albert Gubay left, Weeks and Howe were both directors. Howe responsible for administration while Weeks was financial director.

They both say that in the last year of Gubay's reign they were experiencing a lot of frustration. This, they say, was because Gubay still held very tight control on the company and at the same time had been losing interest in it.

Three further divisions of responsibility headed by individual directors are: buying, sales and transport, warehousing and distribution. And, because there are two managing directors, they settled on a non-executive chairman, Ian Hill, who was senior partner in their former auditors. This team has since remained intact.

For Weeks and Howe, Gubay's departure proved to be a tremendous piece of good fortune. Few thirty-year-olds

appointed joint managing directors came to London to convince a meeting of brokers that they possessed the right sort of management skills: Kwiksave had a glamour rating with a price earning ratio of over 20. They reflect "We must have looked very young and green."

Of course there was a problem of persuading the investors that Gubay had not gone because something was going awry with the company. Why should he want to go? "It is a bit difficult to say. Well he lost interest," says Howe.

But it is true though that between them they had largely been running the company for much of the previous year as Gubay's interest in it had waned, but now they had the opportunity to do things with the company which would not previously have been permitted.

They immediately split the management function straight down the middle so that as joint managing directors they would not be standing on each other's toes. Michael Weeks became responsible for everything up until the day a shop opened and Ian Howe became responsible for the general administration thereafter.

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Michael Weeks (left) and Ian Howe at their North Wales headquarters.

lower they're than those of their competitors. With gross margins being cut, Kwiksave's net margins have fallen, in spite of cost saving.

A question frequently raised over Kwiksave is whether this style of retailing will work in the long run, especially when earnings rise and shoppers become less cost conscious. Another is whether it will lose out to the hypermarkets or the new supermarkets.

One point the first question ignores is that many Kwiksave stores are near to working class areas, and that for low income earners food accounts for a large part of the family budget. Moreover, weekly wage-earners cannot afford to buy food a month at a time—as they might at a hypermarket. Kwiksave's bosses also note that if disposable incomes rise they will stock more luxury goods—the criterion is always high volume.

The company's major pre-occupation over recent months has been Cee N Cee, chain of 49 discount stores in Lancashire, Cheshire and the Potteries, which Kwiksave purchased last year. Weeks and Howe have applied shock tactics to the management and workforce at Cee N Cee. "I don't think there is anybody left above area manager," says Weeks, who has clearly enjoyed tackling the problems, which have included a number of strikes. He says that at the Cee N Cee warehouse, staff has been cut by half through redundancies.

Cee N Cee stores are being converted into the Kwiksave "format" at a rate of two a week, and Weeks claims to be able to see the light at the end of the tunnel.

Weeks and Howe sit in a large office with desks facing each other. Between them are maps of the north-west with pins marking stores present and future. Ask them where Kwiksave is going, and they smile; a question of how low their prices are but of how much

get to run companies, especially if they are working for one run by a particularly individualistic entrepreneur. Usually such entrepreneurs hang on far too long.

Howe and Weeks claim that the reason they work well together is because their personalities are almost directly opposite. "Mike is the extrovert," says Howe, and Weeks interrupts him to say: "Ian tends to be more conservative. I tend to be more rash and he pulls me back."

Their appearances would tend to bear this out. Weeks sports a winter tan, wears sharp clothes, carries one of those little bags that Italian men seem so fond of and drives a Rolls-Royce. Howe, by contrast, is

quieter and more soberly dressed. He drives a Mercedes. They are both keen to emphasise that they have "entrepreneurial flair" rather than being at the head of a team of managers which has followed the Gubay formula. "If we were just pure managers the company would be dead by this time," says Weeks. One grouse which they have is that none of the board is a major shareholder; "we are just employees" complains Weeks, although according to the last accounts he does hold 120,000 shares issued under an incentive scheme.

Howe has a similar number under the scheme and another 50,000 shares. Between them they hold less than half of 1 per cent of the company.

But even if the company does not get tax relief, it still saves considerably on costs for the higher-paid executive. Given that the executive has to buy a suit once a year, the company has to pay him £800 so that he can pay out £200. With corporation tax at 53 per cent this costs the company £364.

It should be emphasised that this cost argument only applies to executives paying very high tax rates. For an employee paying only 50 per cent tax, it would be cheaper to pay him the extra salary rather than provide the suit, unless it can be allowed as a business expense. And the more universal the provision, the less likely it is to get Revenue approval.

Such benefit schemes are now being extended to shoes—a good pair can cost £50—shirts, ties, in fact, everything that the well dressed executive needs to fulfil his function. There is no reason why similar schemes should not be applied to women executives. The cost of dresses and suits for women is sufficiently high to make it worth while. But if a scheme leasing dresses is being made available, then the fashion world is being extremely quiet about it.

It seems obvious that executives need to be well dressed to perform their company duties—a cheap suit would be as bad as a T-shirt and jeans. It is the "wholly and exclusive" part that is difficult to prove—hence the reason for leasing rather than outright purchase. It presents a more convincing case to the inspector.

Although the Revenue is never specific in spelling out cases, whether the company gets its scheme through would appear to depend on whether it can convince the inspector that the executive needs the suit wholly and exclusively for business, in the same manner that the doorman's uniform is allowed.

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Drive-in

Although they tend to be scathing about him, Weeks and Howe do applaud Gubay's entrepreneurial flair in building the company as far as he did. He started in business first by converting a cinema into a toffee factory, entering retailing in 1962 with a drive-in supermarket.

Kwiksave itself was started in 1965. The idea at that stage—and still the basic formula—is sharply to discount a limited range of goods. Instead of stocking 4,000-5,000 product lines like, say, Tesco, Kwiksave stores carry only 500-600. The stores themselves are devoid of any frills and the customers help themselves out of original manufacturers' boxes.

view is also wearing a suit that belongs to the company.

The provision of company suits, shirts, ties, shoes and other accessories is the latest development in the executive benefits field.

The price of suits over the past five years has risen dramatically, far ahead of price inflation. An ordinary made-to-measure suit these days costs close to £180. A well-cut suit that the company would expect its senior executives to wear could cost at least £200. If the

executive is paying tax at the top rate of 75 per cent, then he needs £800 to purchase a £200 suit.

Not surprisingly, benefits consultants have seen the cost advantages of companies providing suits. Many leading tailors have been actively promoting the provision of company suits over the past 12 months. But it is not simply a question of the company buying the suit and giving it to the executive. The schemes are invariably more complex.

The company leases the suit from the tailor, usually for a year, paying initially the full cost price of the suit. At the end of the year, the suit is returned to the tailor, and the company receives an allowance according to the condition of the suit. The tailor then sells the suit as second-hand clothing. The tax advantages of leasing compared with outright purchase have now reached this sector of employee benefits.

The doorman with his uniform worn only on duty does not get taxed at all, since the uniform can only be used wholly and exclusively in connection with his work. But the executive does not change into and out of his company suit every time he goes to the office, so he is taxed

Bearable

To provide five suits a year himself, an executive would need to earn £4,000 before tax to provide the £1,000 after tax—at £200 a time. Under the leasing scheme the executive needs to earn only £100 pre-tax for the five suits, a burden easily bearable. The Inland Revenue does not put any limit on the number of suits that a company can provide for an executive.

The position as far as the company is concerned is far from clear. It can charge the provision of doorman's uniforms

as a trading expense to be offset against corporation tax. But with executive suits the position is confused. The official Revenue attitude is to frown on these schemes and not allow them as an expense. But much depends on the attitude of the local tax inspector dealing with the company.

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Don't buy a suit; lease one

BY ERIC SHORT

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EMPLOYEE BENEFITS

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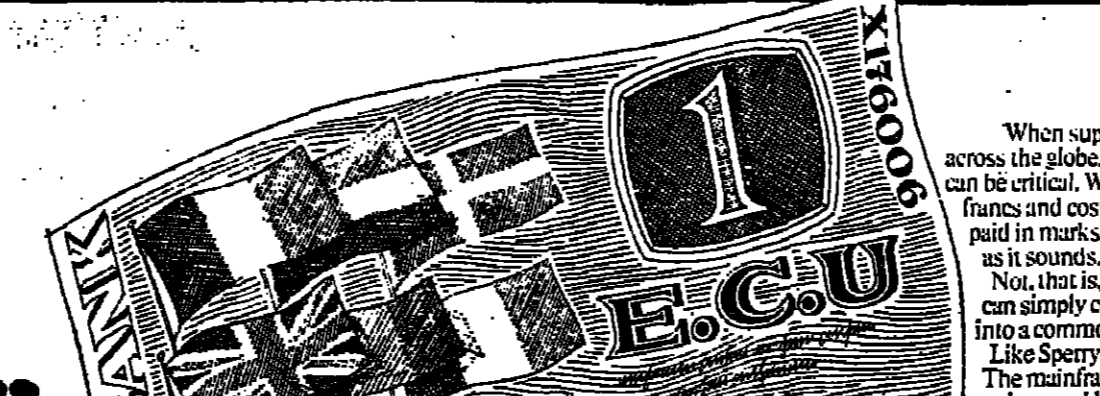
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THE ARTS

The spice of life by CHRIS DUNKLEY



John Cleese in 'Fawlty Towers'

Television

Television's saving grace is its variety. Not its Variety, you understand — much of that is abysmal, though Leo Sayer did have a series on BBC 2 not long ago which proved it didn't have to be so awful, and Kenny Everett (to whom we shall return) has another good one going at the moment — but what saves television, so often from becoming unbearable is the sheer variety of programme types.

When you eventually become fed to the back teeth with the news, and with current affairs programmes detailing Today's Top Ten Kill Ratios, you can always punch the buttons or twiddle the knob and find — what? Well, the most bizarre sights and sounds.

On Saturday evening, for instance, anyone trying to evade the 27th re-run of Arabesque on BBC 1 and the sight of Robert Douglall on ITV supplementing his pension on Celebrity Squares (not to mention the threat of "The Voice of Lance Percival" which was actually billed in TV Times) might well have tuned in to a picture on BBC 2 of Robert Robinson hill-walking in fancy dress.

For reasons known only to himself and perhaps producer Peter Foges, Rob appeared to be wearing an outfit rescued from the fo'c'sle locker of a British trawler: baggy blue fatigues, a fisherman's smock, and an outsize soft cap. In this little he ambled with studied casualness up a hill in southern France, and proceeded to interview the elegant French historian Emmanuel Le Roy Ladurie about events in the hill village of Montallou in the Middle Ages.

The utter incongruity of Rob Rob's rig, the deep green and rather misty countryside, the engaging Frenchman, the medieval ruins, and the stories of 14th-century concupiscence among randy priests and accommodating ladies of the manor proved in the end to be quite disarming. Admittedly the programme showed how changeless are men's favourite activities — trying to seduce other men's wives, persecuting those of different religious beliefs, and so on — yet the 600 years time warp brought an unusual charm to the whole business.

The next night offered an even more weird confrontation, again on BBC 2. In the first of a new series of programmes produced by John Smith, called A Life With Crime, Ludovic Kennedy interviewed the former violent criminal John McVicar seated in front of something looking like a bright green cage which had presumably been

installed in the studio for the occasion. The key light on McVicar, who has deep-set eyes at the best of times, was so arranged that he was made to look positively demonic.

Anyone coming in a little late and hearing McVicar say "My father drank a bit too much, maybe that's why I looked for my models in the street" may have thought the "models" were of the Christine Keeler type, or even Dinky toys. But the following claim that "Being good at chess wasn't prestigious, it didn't attract status, should have given the game away; McVicar has been using his time in the high security wing to take a degree in sociology. And who will deny that McVicar and sociology richly deserve one another?"

The most eye-opening sight of the week, however, was glimpsed through the Open Door (BBC2 yet again) where the Campaign Against Racism In The Media showed itself up for what it is. Complaining about the standards of journalism in BBC and ITV current affairs programmes, CARM in the shape of Maggie Steed narrowed its eyes and lectured us, and then indulged in some of the most dishonest journalism imaginable.

One detailed example of their methods is enough: after a clip from a Tonight programme showing a Right-wing extremist telling a BBC reporter horror stories about black people, and then another clip showing the reporter walking steadily up a road explaining that there was no evidence whatsoever to support the stories, Stuart Hall (who should know better) claimed that the horror stories had been delivered "authoritatively" whereas the denial was given by "a reporter stumbling up a back alley." If Hall and CARM are desperate enough to talk about a man stumbling when every viewer has seen that he didn't, then there is simply no hope for them.

Two programmes whose first series attracted wild applause have just returned to the screen to be met with reactions ranging from the lukewarm to the downright hostile. Fawlty Towers and The Kenny Everett Video Show, it is being said, are pale shadows of their former selves. To me they look remarkably robust and consistent.

The trouble is probably twofold. First, absence makes the heart grow fonder and the mind grow weaker, and the reputations of good programmes expand to huge proportions while they are off the air, feeding expectations which can never be met when they return.

attractive and unusual one, even if there is not really anything new under the arc lights.

Which brings us to The Eamonn Andrews Show because last week his main publicity seeker was Anthony Quinn who, naturally, has a new film coming out. But Quinn told the same old (very old) set of Hollywood stories — and how could he do otherwise when those were quite specifically the stories which Andrews was cueing?

Thames Television's metropolitan reputation for programmes which are at least slick and laid back, whatever faults they may have, is starting to crumble rapidly thanks to this inept nonsense. The host's best joke last week was about the inability of his guests to switch chairs without making the camera. It makes one long for the Simon Dee Show.

Thames' bacon was saved last week by a highly proficient documentary, Mickey Duff Matchmaker, about the smoke-filled hotel rooms which lie behind the boxing ring. Produced and directed by Tim King, who made Hospital, it had all the usual advantages and disadvantages of programmes without reporters: vivid impressionism, and occasional crying need for explanation. It conveyed a powerful feeling that Mr. Duff is determined to live up (or possibly down) to the 1940 Hollywood stereotype of the boxing promoter.

On the same night BBC1 gave us Mastermind International which afforded the wonderful sight of Sir David Hunt, former ambassador to Nigeria, failing to name the Nigerian unit of currency; and the wonderful sound of Mag Mag announcing "And now for the presentation of the trophy."

Next night brought the first part of a new situation comedy series called Potter on BBC1 written by the always interesting Roy Clarke who created Last Of The Summer Wine and Rosie. Better yet the excellent Arthur Lowe plays the title role of the retiring sweet-factory owner. With the delivery of the line "I'm relying on this retirement to do something for my heartburn" Clarke and Lowe delivered a tacit promise of good things to come.

Monday's visit by the Budapest Symphony was thoroughly welcome, even without a note of Hungarian music to be heard — for they suppressed national pride in favour of Austro-German classics. In its 30-odd years of existence, the orchestra has developed a mature character of its own. Conventional Hungarianisms have little to do with it: their strings are strong, bright and unambiguous, but gypsy fiddling doesn't come into it. The wind section is notable for a first flute of impressive authority, and a fine first horn whose romantic introduction to Weber's Oberon Overture, a throbbing slivan call, proved to be only a sample from his broad expressive range.

The orchestra began the concert a little shyly. There was a shortage of electricity in the Weber overture, even in the fairy music, though everything was correctly done. Their conductor György Lehel pointed the shadows in Mozart's C minor Piano Concerto, K.491, no more than did his soloist Andras Schiff, who was content to give a pretty but decidedly lightweight account of the work; he indulged less in the mannered pianissimo that was a main feature of his BBC lunchtime appearance a week ago, but he offered none the less an essentially decorative sketch of the Concerto. Its succession of fraught moods went virtually unmarked.

With Beethoven's "Eroica" Symphony a note of proper command was struck at once, and powerfully held. The first chords were a sharp call to attention, and the whole Allegro con brio proceeded with a confident sweep — the movement lost nothing by Lehel's rock-steady beat, given the feeble energy of the playing. The Marcia Funebre was persuasively flexible not the usual stern and stately affair; the Scherzo leapt lithely away, its drive set off against melting hunting-horns in the Trio. The Finale was a true, joyous Allegro molto, well-braced and athletic, Lehel's quadruple woodwinds adding lively clarity without heaviness.

DAVID MURRAY

Billy Budd

by NICHOLAS KENYON

Britten's 1951 opera, to a libretto which E. M. Forster and Crozier adapted from Herman Melville, returned to the Royal Opera House at Covent Garden on Monday after absence of seven years. The production is powerful, strongly and conducted by Edward Elgar with a solid purposeful style which makes the most of the opera's dramatic and depressing aspects of man's forced, unwhimsical humanity to man.

The striking aspect of Budd, being it after Britten's last opera, is that it is a musical technique (on a more lavish scale) achievements of the later years of the composer. In the context of a large-scale drama, Billy Budd exposes emotions set alight by characters' isolation and, as Venice cuts off Aschenbrenner from the real world, and its him inexorably towards IMS Indomitabile is "a tiny fragment of earth" in the threat which Budd is to be executed, and the Capitan Vere is to be executed, and what is that threat? Much has been made of Claggart's homosexuality in the Met-story, but Eric Walter declares that "most of indications are missing the opera libretto." In the revival, the homosexuality is, and forcibly expressed, by the character of Claggart, who in the 1951 premiere, Claggart's passion sublimated in (as Aschenbach's is in the novel), he touches up the young with his cane in a sinister, only unimp, Claggart's. When he realises that Claggart's instinctive, Claggart's has affected his own for evil, destruction is his course. This is a chillingly surreal portrayal.

It is Captain Vere, "lost in an infinite sea" of theoretical competence ("I've had men and their ways") moral indecisiveness, who carry out Claggart's will. Claggart's beauty, Claggart's goodness, he knows Claggart's killing of Claggart is instinctive act, not a choice, but still he hides the regulations of law. Claggart's ideal goodness Claggart's in Death in is too much for him to On Monday night Richard (recently Captal Vere in the role of Richard Cassilly) the vacillating desire for onness in a vibrant, imned declamation of n's word-setting which only to dominate the stage should.

Billy, Thomas Allen is

of the most striking pre-echoes of Death in Venice are to be heard from the pit. Though Budd is scored for a very large orchestra, the skill with which Britten permutes his instruments into tiny chamber groups, each with its characteristic colour and atmosphere, anticipates much of what he achieved with far smaller resources in the later opera (and the church parables). The all-male cast imposed these restrictions on the scoring, no doubt, but the result is ideally suited to the libretto: screeching clarinets, clashing trumpets, fluttering flutes, an occasional low-pitched, heavily sustained murmur of strings broken by harp octaves (as in Vere's first soliloquy, remote from the concerns of his ship). The psychological picture of mist-enshrined isolation is exceptionally subtle, as has often been noted, but the sheer compelling originality of the score needs stressing, too: I wish that Edward Downes had been a little more flexible in his conducting — the pace is too relentless, and the music here more light and shade than we hear; but it is an exceptionally reliable and well-orchestrated account of the piece.

A final word of praise for John Piper's set, a skeletal husk of a ship, pared down to the bone, revealing the essence of a ship just as the characters are forced to reveal their own central motivations: so much more suitable than Piper's original lavish H.M.S. Pinjore rig-out. There are performances of Billy Budd this Friday, next Tuesday and Friday, and on March 19 and 21.

Polio

The Condemned Man's Bicycle

by MICHAEL COVENEY

demure little lunchtime action from the Nuffield, Hampton, introduces British actress to Arrabal's one-act about a prisoner trying to the scale of C and make a female torturer. The plays a caged prisoner a bicycle: two other torturers laugh at the tie his ankles and roll around on the floor he girl and eventually kill would-be lover.

whole point about al, who enjoys a vastly inferior reputation, is that he has god-send to outrageously European directors such as Lavelli and Savary, ves the theatre of anti-

Catholicism, sex, dirt and bestiality room to breathe on the large scale. Even a piece as slight as And They Put Handcuffs on the Flowers, seen at the Open Space a few years back, can carry an astonishing punch in inspired performance. Sue Wilson's production is not only feeble and uncommitted, it is also grossly unfair to Arrabal in not respecting his stage directions, which outnumber lines of dialogue by about four to one. The trampled love story suffocated by torture, Philistinism and brute violence, never takes wing, and the essential element of perverse eroticism is never even broached by a polite young quintet of actors, uniformly attired in white boiler suits.



Topiary in a small Somerset garden

The English garden will be coming indoors this summer in a major exhibition from May 23 to August 26. In the week of the Chelsea Flower Show, the Victoria and Albert Museum is launching a grand show of the garden and all its historical works, tools conservatories, herb gardens and public parks. There will be plans of the great landscape gardens and outlines for a humble vegetable plot. Scottish gardens will be studied for their supposed influence. Photographs will record historical riches of country gardens open to the public. Justice, and more, will be done to the municipal park. Stress will be laid on the problem of the upkeep of grand private gardens for future generations. The show will coincide with the English Tourist Board's drive to bring tourists to the English gardens in their visit-to-garden scheme for 1979. The museum's own garden is to be brightened up by Russell Fox, the grand old man among English landscape architects. Work has already begun on the cherry trees. ROBIN LANE FOX

Arts news in brief

More awards to composers have been approved by the Arts Council. The awards are made to enable composers to undertake commissions from promoting or performing bodies; the council makes a number of such awards throughout the year.

Sir Lennox Berkeley has been offered an award for a cantata for soprano with recorder, harpsichord and viola da gamba, commissioned by Carl Dolmetsch. The work will be performed by Elizabeth Hall concert on Thursday March 22.

Richard Blackford (25) has been offered an award for a children's opera commissioned by Opera Players. The opera will have a libretto by Ted Hughes and will be performed in schools with children and professional singers.

An award has been offered to Brian Chapple (33) for a work commissioned by the London Sinfonietta. It is for 14 players, and will be performed in a concert in St. John's, Smith Square, and on tour.

Awards have also been offered to Simon Emmerson (43), formerly on the music staff at York University, and Nareh Sobal (39) for works commissioned by Elms Concerts for Songcircle's 1979 season, including a concert at the Round House in May.

Roger Marsh (29), a lecturer at Keele University, and Nigel Osborne, a lecturer at Nottingham University, have been offered awards for works commissioned by Electric Phoenix, a group of four young singers who use electronic modification of vocal timbres.

Louis I. Michaels has announced that he has reluctantly agreed to sell the freehold of the Theatre Royal, Bath, to a Trust set up by Bath businessman Jeremy Fry. Responsibility for running the theatre will be undertaken by a second Trust to be chaired by Mr. John Dawson, chairman of John Dawson Motors.

Mr. Frank Maddox, general manager of the theatre, will remain in his post until his retirement later this year, when the trustees will be appointing a new director.

The Greater London Council has renewed Riverside Studios' annual entertainment licence but an extension to the cinematographic licence on Friday and Saturday evenings (until 2 am the following morning) has been refused as a result of objections from a local pressure group.

Riverside's film programme — based on a policy of late night films, Sunday afternoon children's films and independent film forums — is, a Riverside statement, says, now "in jeopardy." As equipment is hired to cover a full weekend period of films the whole film policy becomes unviable without late night screenings, adds the statement.

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PRELIMINARY ANNOUNCEMENT

The consolidated financial statements for the year ended 31st December 1978 show:

	1978	1977
Operating income	R200	R200
Income from investments	88,426	71,580
Realised profit on investments	30,638	21,654
	11,580*	2,424
	129,044	95,538

Deduct:

Exploration expenditure	3,507	3,879
Interest paid	23,704	16,420
	27,211	20,299

Net income before taxation 102,833 75,239
Taxation 18,565 19,340

Net income after taxation 84,268 55,899
Attributable to outside shareholders in subsidiaries 11,747 18,152

Income attributable to ordinary shareholders 62,521* 37,747

Earnings per share 102 cents* 62 cents

Dividends:

Interim dividend of 15 cents (12 cents) per share	9,175	7,338
Final dividend of 32 cents (26 cents) per share	19,634	11,100
Retained income for year	33,712	14,509

* Included above is an exceptional profit of R7,078 million arising from the sale of the group's interest in Minera Frisco S.A. de C.V. This amount is equal to 12 cents per Corporation share. Adjusted earnings per share excluding the above are: 90 cents 62 cents

The consolidated balance sheet at 31st December 1978 shows:

	1978	1977
Share capital and reserves	276,188	249,178
Outside shareholders interests in subsidiaries	111,469	106,429
Long term liabilities	161,865	95,798
Deferred taxation	38,578	36,223
	588,100	478,623

Represented by:

Fixed assets	315,856	263,101
Investments:		
Listed (market value R410,591,000; 1977—R254,392,000)	118,871	85,688
Unlisted (directors' valuation R21,428,000; 1977—R100,340,000)	8,545	27,483
Loans and loan portion of taxation	33,759	26,629
Current assets	346,016	282,975
	528,885	655,880
Current liabilities and provisions	234,785	177,257
	588,100	478,623

Net asset value per share taking listed investments at market value and unlisted investments at directors' valuation 947 cents 788 cents

NOTES

1. Results for the year. The results for 1978 reflect an improvement in income attributable to ordinary shareholders of R24.8 million compared to those of 1977. Approximately R7.1 million of this relates to the disposal of the investment in Minera Frisco referred to above, R11.9 million to an improvement in income from the Corporation's mining and other investments plus other financial revenue, and R5.8 million to an increase in attributable earnings of the group's industrial subsidiaries.

2. Dividends. The interim and final dividends were paid on issued share capitals of 61,166,737 shares and 61,356,787 shares respectively. In 1977 both dividends were paid on 61,151,737 shares.

3. Exchange Rates. As a result of applying the rates of exchange ruling on 31st December 1978 there was an upward adjustment of R1,464,000 (1977—R1,310,000) in the net book value of certain of the group's foreign assets. This has been credited to distributable reserves.

4. Investments. During 1978 the Corporation exchanged its unlisted investment in Impala Platinum Limited for a listed investment in Impala Platinum Holdings Limited.

DECLARATION OF DIVIDEND

A final dividend No. 124 of 32 cents per share in respect of the year ended 31st December 1978 making a total of 47 cents for the year has been declared payable to members registered in the books of the Corporation on 23rd March 1979 and to persons surrendering coupon No. 129 detached from share warrants to bearer.

Dividend warrants will be closed from 28th to 30th March 1979 both dates inclusive. The dividend is payable subject to conditions which may be inspected at either the Johannesburg office or the London Transfer office of the Corporation.

By Order of the Board
per pro UNION CORPORATION (U.K.) LIMITED

London Transfer Office:
Hill Samuel Registrars Limited,
6 Greenock Place,
London, SW1P 1PL,
6th March, 1979

London Secretaries:
L. W. Humphries,
Princes House,
95 Gresham Street,
London, EC2V 7BS

Bank of New South Wales

Bank of New South Wales announces that with effect from Wednesday, 7th March, 1979 its base rate for lending will be reduced from 13½% to 13% per annum.

Bank of New South Wales,
29 Threadneedle Street,
London, EC2R 8BA.

Incorporated in Australia with limited liability.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BT
Telephone: 01-248 8000

Wednesday March 7 1979

On the eve of the President's mission to the Middle East, Jurek Martin, U.S. Editor, reports from Washington

Mr. Carter's 'noble and naive' foreign policy



The high point: Mr. Carter with Egyptian President Anwar Sadat and Israeli Prime Minister Menachem Begin at the White House after the Camp David summit last September

Observers in Rhodesia

RHODESIA'S transitional government has asked Britain and the U.S. to send observers to witness the general election planned for April 20. Ostensibly, the British Government is studying the invitation: in reality, it is trying to assess whether the holding of elections calls for any modification of its policy towards Rhodesia.

But whether one likes these elections or not, they will form a major landmark in the Rhodesian political scene for the next few months. Having pinned its hopes on some form of democratic legitimacy, the Salisbury regime is not going to be looking for any international negotiation until the vote is out of the way, and probably not then until it has had time to set up a plausible government under a black prime minister.

The guerrilla forces of the Patriotic Front fear the election precisely because it may conceivably lend an air of legitimacy to rival black leaders, and may thus lead to the erosion of the UN-sponsored sanctions policy against Rhodesia. For that reason, the Patriotic Front will undoubtedly step up the war in an attempt to make it impossible for the election to be held.

When the internal settlement was announced nine months ago it was greeted in much of the outside world with scepticism if not scorn. Few people believed that Mr. Ian Smith would, in the end, prove willing or able to carry out the programme of black majority rule, and when the election date was postponed from December 1978 to April 1979, the sceptics believed their doubts had been vindicated.

There is a number of serious objections to the election programme. It is based on a constitution which will continue to give the tiny white minority a wholly disproportionate share of the seats in the parliament. It will be taking place in the middle of a guerrilla war, with 90 per cent of the country under martial law, and with so much intimidation or attempted intimidation from all sides that there can be no confidence that the results will fairly reflect the feelings of the Rhodesian population.

White role
Each of these objections is open to some debate. In admitting the principle of black majority rule, the whites have come a long way. The elections will, to be sure, be taking place in the most inauspicious circumstances.

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As an unlamented recent president used to say: one thing should be made perfectly clear. Jimmy Carter is not going to the Middle East today to try and forge an Israeli-Egyptian peace agreement in order to win re-election in his own country next year.

Some of the criticism has had clear political purpose. It is only natural for the small army of Republican presidential aspirants to weigh in about the decline of American power—though Ronald Reagan's allusions to "the tapping of Neville Chamberlain's umbrella on the cobblestones of Munich," John Connally's near declaration of regional hegemony towards Mexico and Howard Baker's veiled suggestion that the marines be sent into Kabul stretched public credulity. At the very least, all seemed to be suggesting a repetition of the Mayaguez incident of 1975, with the protagonists of such a course conveniently forgetting that that operation, which indeed gave President Ford a temporary boost in the public eye, cost more lives than it saved and was in any case unnecessary because, by the time U.S. forces began their action, the Cambodians had already released the captured U.S. ship.

But even the more sober comments, from less obviously self-serving political perspectives, contains the same strain of complaint—that the U.S. is simply not exercising its global authority because the President himself is deficient in expressing the national will for strength. Whether the arena be Iran, Mexico, Turkey, Africa, the Middle or Far East, Mr. Carter is being portrayed as irresolute and indecisive in foreign policy.

He has not helped his own cause by permitting his administration to speak with so many voices on both foreign and domestic policy. There have been too many instances recently of senior aides (Energy Secretary Schlesinger, Treasury Secretary Blumenthal, anti-inflation adviser Kahn, Defence Secretary Brown, Secretary of State Vance, National Security Adviser Brzezinski) to name but a few) speaking publicly at apparent cross purposes with one another. Almost incessantly in the last few weeks, Mr. Carter has himself gone public with what might be described as the authorised version of foreign policy, but his contribution has been to waters already made muddy by his underlings.

Jingoistic solutions
Nevertheless, the most intriguing aspect of the national debate, be it over "who lost Iran" or "why didn't the U.S. stop China invading Vietnam" has been the dearth of anything other than jingoistic remedial solutions in the part of Mr. Carter's critics. And this is

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But the Israelis, in particular, still view Mr. Carter with profound mistrust. They tend to see a president who has not really been to the political barricades in the U.S. proclaiming eternal allegiance to Israel, who has defied the powerful American Jewish lobby and significantly tilted U.S. policy in an Arab direction, and who has, to boot, a brother who mouths anti-Semitic sentiments. Some prominent Israelis such as Foreign Minister Dayan and Defence Minister Weizman may agree with Mr. Carter's basic analysis that time is no longer on the side of a Middle East settlement in the wake of revolution in Iran, but they really do not know how far Mr. Carter will go if a solution cannot now be reached. There is still the fear that Mr. Carter is capable of reassessing the entire range of American foreign policy alignments in the Middle East if Israel banks now—a consideration which previous presidents would not have been expected to entertain.

Mr. Carter will also have his work cut out to get the necessary compromises out of President Sadat, who, for all the closeness of his contact with the U.S. President, must be wondering what happens to U.S. policy in the event of failure. Mr. Carter has spoken publicly of the possibility that President Sadat will be pushed by events into a more hardline position: it is also true that the U.S. has so far failed to get the endorsement of any other central Arab nation for the Camp David accords and is now has encountered fresh problems with a highly nervous Saudi Arabia. It is clear that Mr. Carter has impressed on Mr. Begin in the past few days that President Sadat's position would be rendered perilous in the extreme by Israel's failure

Consequences of his actions
This helps to explain why the President, almost impatiently, is capable of raising the stakes in the Middle East or running the risk of offending the Russians by normalising relations with Peking, simply because he judged from the signals from Peking that the time was right. It has led some critics to allege that he does not think through the consequences of his actions. So far, it appears that the Russians are so interested in a strategic arms limitation agreement that they have swallowed the China pill.

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The right policies

It is more accurate to say that this often curiously non-political President is so convinced of the rightness of his own approach that he is almost careless of the consequences that might befall him personally, or put another way, that he would rather fail in the pursuit of the right policies than serve eight years in the White House by ducking the tough issues or seeking simple answers. Mr. Carter knows by experience that there is no more intractable problem than the Middle East but the character of the man is such that this whets, rather than blunts, his appetite.

It is impossible to divorce the search for a Middle East settlement from the general controversy over the directions of American foreign policy. The external debate over the U.S. role in the world is positively pianissimo in comparison with what has been going on in the U.S. As the New Yorker magazine put it in its latest edition:

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Tried, tested and failed

UNTIL A few years ago, the publication of the February Review of the National Institute of Economic and Social Research was an important national event. It was generally supposed that the "Treasury in Exile" in Dean Trench Street afforded a glimpse of Treasury thinking in the run-up to the Budget.

A few years of monetary crises, and of the growing elaboration of the Treasury's own policy analysis, have allowed the two institutions to drift a long way apart; but not all individuals move willingly with the times, and the latest Review is probably quite like some of the advice being offered to Mr. Healey.

Orthodoxy
The Review, like some of the Government's advisers, is unhappy about the new orthodoxy preached by Mr. Callaghan and Mr. Healey, which seeks to confront inflationary pressures with deflationary fiscal policy. If cost pressures lead to loss of markets and falling activity, the demand-manager's reflex response would be to feed more demand into the economy. The National Institute's logic would seem to point in that direction, but it candidly admits that "even if not wholly rationally, an apparent association of the breakdown of the pay policy with refractory action is simply not convincing as an economic strategy." It therefore recommends a neutral Budget, combined with yet another attempt to devise an effective but flexible incomes policy, which is its true panacea.

This harping on policies which most people would regard as tried, tested and failed is not particularly convincing either; but the misgivings which the Review expresses about a deflationary strategy is widely shared, and it is perhaps worthwhile to restate the arguments for a financial approach to stopping inflation—for that is the true though unmentioned target of the critics.

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MEN AND MATTERS

Muldergate takes to the air
The sage of South Africa's homegrown Watergate, the information department scandal involving the mispending of millions of pounds worth of money earmarked for secret propaganda, grows more and more odd. The latest twist is that General Hendrik Van den Bergh, the former head of the Bureau of State Security (BOSS), has set off across the world on a private mission "to save South Africa."

Translated into everyday language, this means he wants to track down his close confidant Dr. Eschel Rhoodie, who masterminded the clandestine propaganda operations, in order to silence him.

Van den Bergh and Rhoodie were cast as the arch villains in the "Muldergate" scandal by last year's government inquiry. The general has sworn to clear his name, and now says that Rhoodie intends to do the same by releasing more than 40 highly sensitive tape-recordings.

But the globe-trotting doctor—his huge travelling expenses were particularly criticised by

the inquiry—has kept disappearing and reappearing, most recently in Ecuador, Switzerland and Nice, despite having his South African passport suspended.

In a curious statement, released after the general's departure, he said he was taking "active and positive steps to avoid what is rapidly becoming a crisis of immense proportions" by persuading Dr. Rhoodie not to spill the beans.

Van den Bergh perhaps summed up the situation, if unconsciously, when he chose the public relations company which released his long and rambling statement—a concern called Showbusiness International.

France. The green men in France have thrown themselves into the electoral fray with some abandon, but said to be splitting into factions in the time-honoured style.

The launching party for the Green Alliance at London's Royal Commonwealth Society yesterday had, by contrast, a dignified air, somewhere between mandarin and romantic.

"We are," said chairman Maurice Ash of the Town and Country Planning Association, "trying to change the climate of politics." The "green" part of the alliance symbolised "new shoots from the dead earth."

It remains to be seen what can be achieved by a pressure group concerned with controversies as bitter as nuclear power, yet so keen on not making enemies. The main coup so far has been recruiting the former head of the Civil Service, Lord Croham—formerly Sir Douglas Allen.

Spire ire
Redundant Anglican churches are being demolished at about one a month these days—not many, seeing that there are nearly 14,000 left. Usually they vanish discreetly, but occasionally there is what might be called an unholy row. Such a case is St John's in Reading—even the Archbishop of Canterbury has now become involved.

The Reading Borough Council is in the heart of the quarrel, having four times blocked attempts by the Church Commis-

sioners to gain access for bulldozers. This they have done on a technically, by refusing permission to break down a wall belonging to a listed school next to St John's (and, like the church, out of use).

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Turner & Newall decline continues in second half

TAXABLE PROFITS of Turner and Newall fell 15 per cent from £45.25m to £38.5m in 1978, after lower contributions from associated companies and increased financing charges. External sales rose by £127m to £540.68m.

The directors say trading in the UK and the rest of Europe proved far worse than expected. In addition, strikes, particularly overseas, are estimated to have reduced pre-tax profit by £3m.

They add that overseas results before tax were down by £1.2m when translated at the exchange rates effective at end-1978 compared with end-1977 rates.

HIGHLIGHTS

Lex takes a reasonably bullish view of Unilever's current year prospects, parity problems apart, and is encouraged by the strength of volume growth which is now flowing quickly through to profits. Sparkling results from De Beers were very much as expected, but the group now faces some flattening in the demand curve this year. Lex also notes that despite hefty redundancies at Turner and Newall, the building products manufacturer has hoisted the 1978 dividend to maximum permitted level. Elsewhere, AAH continues to reduce its dependence on solid fuels while Greenfield Millets has topped pre-tax profits of £1m for the first time.

UK amounted to £108.4m (£93.7m) at a cost of £3.8m. The tax charge of £17.18m (£15.81m) comprises UK £8m (£4.2m), overseas £9.7m (£9.5m) and associated companies £1.5m (£2.3m).

Attributable profit fell to £97.3m against £95.15m. Net assets at the year-end were £353.6m compared with £333.5m in 1977.

Investment in working capital was substantially reduced in a number of areas, the ratio to sales being improved from a comparable 26 per cent to 25 per cent.

Of the extraordinary debit of £7.5m (£0.72m), the directors say in September 1978 the minority shareholding in United Asbestos Cement was sold for £3.4m at a profit of £2.2m. Faced with surplus capacity, TAC Construction Materials is closing certain manufacturing facilities at three sites at a cost of £6m. British Industrial Plastics is reorganising its engineering and moulding activities including the cessation of a number of operations at Streety and Maryport.

Exchange rate movement depresses Unilever profit

COMBINED ATTRIBUTABLE PROFITS of Unilever were virtually unchanged at £81.8m compared with £82.3m in the fourth quarter of 1978, leaving the total for the year ahead by 5 per cent to £270.7m on the basis of closing exchange rates or a rise of 3 per cent using comparable rates.

The year's result was split as to an unchanged contribution of £150.6m against £150.9m by Ltd. and an increase from £107.1m to £120.1m from NV. In the fourth quarter the two sides turned in £40.7m (£41.1m) and £21.1m (£21.2m) respectively.

The directors state that the results in 1978 were considerably affected by exchange fluctuations and the impact was particularly adverse in the fourth quarter.

In the fourth quarter total sales value was 12 per cent higher than in the corresponding quarter of 1977. Of this about 7 per cent arose from increased volume, 2 per cent of which came from National Starch.

In Europe, nearly all product groups contributed to the higher operating profits. For the full year the operating profit showed an increase of 11 per cent to £98.5m at closing rates and was up by 13 per cent on a comparable basis. On a closing rate basis the operating profit in the fourth quarter increased by 27 per cent to £161.9m.

In North America, there was an increase in operating profit due to the contribution of National Starch for the full quarter. Sales in most countries



Freddie Mansfield
Sir David Orr, chairman of Unilever (right) with Mr. T. Thomas, chairman of Hindustan Lever, who has been nominated for election to the Boards of Unilever and Unilever NV.

outside Europe and North America continued to be good. Non-recurring items (which are shown at £12.6m (£9.8m)) included provisions for the cost of reorganisation in the consumer business, in the paper, plastics and packaging businesses in Europe, and in Lever Brothers in the U.S.

For the year as a whole sales value rose by 8 per cent from £9.15bn to £9.84bn at comparable rates of exchange. This included a volume increase of some 3 per cent.

In Europe the operating profit of most products groups, apart from toilet preparations and paper, plastics and packaging business, improved considerably over 1977.

The directors state that in North America results were affected by heavy expenditure for the launching of new products. In most other countries outside North America and Europe profits were considerably above those of 1977. UAC International again did well but profits in Nigeria began to decline towards the end of the year.

Limited's total dividend declarations for 1978 if paid in full would exceed the dividend payments for 1977 by more than the amount of the dividend. As before, the Treasury has agreed to the declarations by Limited, subject to the condition that the total paid for 1978 is kept within the limit and payment of the balance of 1978 dividends is postponed.

See Lex

Second-half rise boosts G. Wills

AFTER a downturn at the halfway stage pre-tax profits of George Wills and Sons (Holdings) were well up to expectations for the whole of 1978.

Taxable profits for the year to December 31 rose from £396,510 to £1,020m on turnover ahead from £83.2m to £85.5m. And the directors are looking for a further profits advance in the current year.

At the interim stage when pre-tax profits fell from £445,000 to £305,000 the Board said it was confident of comfortably exceeding its previous forecast for the year of a £750,000 surplus. The directors added that the half-year figures reflected a temporary setback in the international commodity section.

As forecast at the time of the acquisition of Jack Kleeman (Merchants) earlier this year, the net final dividend per 25p share has been lifted from 0.7325p to 2.42875p on the increased capital. Treasury approval has been given. This lifts the total from 1.5542p to 3.35p.

Stated earnings per share are down from 10.05p to 9.3p.

Tax for the year takes £608,254 (£539,353). There are minorities of £24,400, against £25,655, and there was an extraordinary item last time of £32,650.

comment

The small 3.5 per cent increase in full year pre-tax profits at George Wills tends to disguise a rather volatile profit performance in 1978. At the half-way mark pre-tax profits were down 31 per cent due to a "temporary setback" in the international commodity division. In July, 1978, the chairman indicated that a full year figure of not less than £750,000 was likely. A little later, when announcing the interim figures he said the expected result would be comfortably above £750,000. In the event, a 32 per cent jump in second half profits enabled the group to put its profit nose in front of 1977. But there is a singular lack of information from the company on what brought about the "temporary setback" or on how the position

was reversed. A circular to shareholders, due on Friday, setting out details of the offer for toy importer, Jack Kleeman may give a few answers but it is more likely that some sort of picture will not emerge until the release of the annual accounts. The shares were unchanged at 64p giving a p/e of 6.6 and a yield of 3.1 per cent.

Lonsdale Universal optimistic

FOR Lonsdale Universal, the trend of the trading performance in the first quarter of the current year is encouraging, says Mr. N. G. Ramseyer, the chairman, in his annual review.

While he believes the group will continue its growth, he says it will be difficult to maintain such a high rate, under prevailing economic conditions. "However, we shall continue to seek every opportunity to do so."

As reported on February 2, taxable profits for the year ended September 30, 1978, rose by £678,000 to £1,620m. Turnover was up from £26m to £30.2m, and the dividend is lifted to 5.1725p (£6.824p) with a 3.0202p net final.

The group was helped by the reduction in loss-making activities, and Mr. Ramseyer says the improvement was substantially due to sustained growth in all activities.

In the current year Lonsdale will benefit, he states, from the continuing investment in new machinery and from a full year's trading in Australia.

He adds, however, that while group borrowings will fall as surplus retail properties are sold, higher interest charges will be incurred in 1979-79.

A current cost statement reduces pre-tax profit to £1.43m (£987,000) after adjustments for depreciation £103,000 (£90,000); cost of sales £197,000 (£248,000) less the gearing factor £114,000 (£185,000).

Greenfields Leisure reaches £1m—prospects never better

THE DIRECTORS of Greenfields Leisure, formerly Greenfield Millets, reports taxable profits ahead from £954,860 to a record £1m for the year ended October 31, 1978, and say that prospects and profitability for the whole group have never been better. Turnover rose from £10.33m to £11.63m.

The period was one of consolidation, the directors state, preparatory to a large expansion programme in the current year; to date three new branches are trading and a lease has been signed for another seven, which will be trading later in the year. This will make a total of 62 units, providing an increase of over 35 per cent in total retail sales on last year, they add.

At the interim stage profits had advanced from £316,000 to £326,000 and a good result was expected for the full year.

The directors state that further sites are in an advanced stage of negotiation and the wholesale division is also expanding. A new warehouse and show-rooms have been opened and many new lines have been added to the ranges.

Very ambitious current retail sales targets are being approached, they add, and the wholesale division is well up on last year.

The company has sufficient cash flow and bank facilities to fund the expansion programme.

comment
Greenfields latest results—profits are 5 per cent higher—are slightly disappointing given that

the second half coincided with a period of very high consumer spending. The most likely explanation is that last year's poor summer reduced the demand for both leisure wear and camping equipment. However, in spite of this, sales volume is around a tenth higher, thanks mainly to a decision not to increase prices. Meanwhile, with plans to increase retail selling space by 55 per cent, the prospects for the current year look much better, although setting-up costs and additional cash needed to finance extra stock will keep margins under pressure. At 53p the shares yield 5.5 per cent while the p/e is 6.7 on a 15 per cent tax charge.

Slight increase by AAH at nine months

TAXABLE profits of AAH rose slightly from £3.96m to £4.16m in the nine months to December 31, 1978. But Mr. W. M. Pybus, chairman, warns that the number of imprudences likely to affect the final quarter are greater than ever before.

He adds that although it is almost impossible to project the full year's pre-tax profit it should

be similar to last year's £6.3m (£5.40m).

Commenting on the remainder of the year Mr. Pybus says that solid fuel and fuel oil should be the most significant contributors to trading profit because the weather has hit builders' supplies agricultural services and some other activities.

There is also the effect of industrial action already taken

or threatened, and the higher interest rates which come at a time of maximum borrowing to finance fuel stocks.

Taxable profits for the nine months were struck after interest charges of £818,000. This compares with £546,000 for the first nine months of the previous year, and £736,000 for the full year.

However, attributable profit comes out at £1.32m, against £1.25m, and the interim dividend is reduced—from £1.6m to £1.37m. Among the reasons for this was the low demand before the cold weather and the lack of suitable qualities of domestic supplies.

But the shortfall should be recouped by the year end because the exceptional weather has greatly increased demand.

On the fuel oil side an expanded network of distribution depots led to a higher sales volume, and profits were maintained at £271,000 (£265,000) although margins were depressed. However, the tanker drivers' dispute and the Middle East troubles have hit current profits will not be as high as would otherwise have been achieved, says the chairman.

Intense discounting in the wholesale sector in character with fuel supplies led to tough trading. The trading profit was down from £285,000 to £297,000 and the contribution from this side is expected to be slightly less than last year.

Pybus adds that a six-week overtime ban over pay in the main engineering company reduced profits in the engineer-

ing sector which was also hit by the general recession in the industry. Trading profit slipped from £679,000 to £631,000.

The builders' supplies side showed satisfactory progress, he adds, and this would have been better but for teething problems at the new Stairfoot Kiln of Yorkshire Brick Company, which have now been solved. This sector increased profit to £860,000, against £700,000.

comment

Eleven years ago solid fuel accounted for roughly 85 per cent of pre-tax profits at AAH. Today this proportion is not much more than a quarter and in future years depends on this traditional activity is likely to be even less. Such a trend can only be healthy for the company and the latest figures are a further illustration of the point. Solid fuel is still responsible for almost three-fifths of trading margins, but these have slipped again, and although there is some scope for growth via acquisition in the group's areas of operations the markets for all fuel distribution are extremely competitive. Expansion will therefore have to come from the group's other activities and while the nine-month figures (and no doubt the full year outcome) appears pedestrian there are some hopeful signs for the future. Losses this time from the building supplies side, for example, should be made good next year while the road haulage results would have been substantially better but for the lorry drivers' dispute. On the other hand, many of the company's activities rely on favourable (not necessarily good) weather. At 1978 assuming next year's office properties 18.8 per cent, and the prospective yield a healthy 9.9 per cent.

ISSUE NEWS

Yearlings down to 11½%
The coupon rate on this week's batch of local authority yearling bonds has dropped from 12 per cent to 11.5 per cent.

The stocks are issued at par and are due for repayment on March 12, 1980.

The issues are: Borough of South Tyneside (£1m), Crawley Borough Council (£0.5m), South Bedfordshire District Council (£0.5m), Lincoln Borough Council (£0.5m), South Kesteven District Council (£0.5m), Hertsmere District Council (£0.75m), City of Norwich (£1m), Bracknell District Council (£0.5m), London Borough of Camden (£1m), West Yorkshire Metropolitan County Council (£0.5m), North East Derbyshire District Council (£0.5m), City of Dundee District Council (£0.5m), Fife Regional Council (£0.5m), City of Leeds (£2m), Bedfordshire County Council (£0.5m), Newbury District Council (£0.25), South Derbyshire District Council (£0.25), West Yorkshire Passenger Transport Executive (£0.5m), City of Kingston upon Hull (£1m) and Newark District Council (£0.5m).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre- sponding div. year	Total last year
AAH	3.03	Mar. 30	2.75	6.14
De Beers Industrial	45f	Apr. 27	40	82.5
Greenfields Leds.	1.31	Apr. 23	1.18	1.98
Mercantile Inv. Ltd.	1.36	Apr. 25	0.9	1.7
Scottish Cities Inv. Ltd.	4f	Mar. 30	2.25	8.75
Sungel Kieran	1.5f	Apr. 5	1.5f	1.5f
Turner & Newall	7	June 7	6.1	11.5
Unilever Ltd.	18.4	—	12.3	21.92
Unilever NV	F15.40	May 29	5.16	8.5
Union Corp. (UK)	32f	May 2	26	47
George Wills	2.43f	—	0.73	3.25f

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue. f On capital increased by rights and/or acquisition. * To reduce disparity. † In lieu of final. ‡ South African cents throughout.

THE PRESTIGE GROUP LIMITED

Mr. David Lawman reports on 1978

The following is an extract from the Statement by the Chairman, Mr. D. J. T. Lawman, which has been circulated with the Report and Accounts for the year ended 31st December 1978.

THE YEAR'S RESULTS AND DIVIDENDS

1978 marked another year in which the Group achieved record sales and profit. Group sales for the year amounted to £59,515,298, an increase of 8.4% compared with last year's total of £54,890,407. Group net profit before taxation and before an extraordinary item improved by 9.6% to £6,849,629 (£6,252,354). The Board is recommending a final dividend of 14.944% making a total for 1978 of 24.944% (1977—22.338%).

1978 IN BRIEF	1978 £'000	1977 £'000	INCREASE %
SALES	59,515	54,890	8.4
PROFIT BEFORE TAX	6,850	6,252	9.6
CORPORATE TAX	3,047	2,787	9.3
PROFIT AVAILABLE	3,774	3,433	9.9
Earnings per share	20.82p	18.96p	
ORDINARY DIVIDENDS			
Rate	24.9%	22.3%	
Cost	1,130	1,011	
Times covered	3.3	3.4	

Copies of the 1978 Accounts and the Chairman's Statement may be obtained from the Secretary, The Prestige Group Limited, Prestige House, 14-16, Holborn, London EC1N 2JQ. The Annual General Meeting will be held in London on 28th March, 1979.

Manufacturers of 'Prestige', 'Skyline', 'Ewbank', 'O-Cedar', & 'Old Hall' household products.

Overseas companies operating in Australia, Belgium, France, Germany, Italy, Japan, New Zealand, South Africa, Spain, Sweden.

Trust Houses Forte Limited

Results:

Year to 31st October	1978	1977	% Increase	
	£m	£m		
Trading Receipts	613.8	531.0	16%	Another excellent year's trading.
Trading Profit	70.1	54.3	29%	Profit before Taxation increased by 46% to £55.5m.
Profit before Taxation	55.5	38.0	46%	Dividend increased by 29%.
Profit after Tax and minority interest	31.7	24.5	29%	One for one scrip issue to shareholders.
Earnings per share	31.4p	24.4p	29%	Net cash resources at year end £56m.
Dividend per share	10.63p	8.2094p		Shareholders' Investment—292p per share.
Dividend cover	3.0 times	3.0 times		"... a well managed and forward looking company..." (Price Commission report on the hotels).

The good results have continued into the current year.

Young highly-trained staff ensure that the efficient management will continue.

Copies of the Annual Report can be obtained from the Secretary, Trust Houses Forte Limited, 1 Jermyn Street, London SW1Y 4UH.

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Companies and Markets **UK COMPANY NEWS**

L & G Pensions fund passes £1 bn mark

The total value of funds managed by Legal and General Assurance (Pensions Management), a subsidiary of Legal and General Assurance Society, advanced by over one-third last year to £1.01bn—thereby passing the £1bn mark in less than eight years since the company was launched.

The Mixed Fund, based on equities and fixed-interest securities, remains the largest fund with the company, and it rose by 29 per cent last year from £404m to £520m, its unit price jumping 8.2 per cent over the year. During the year some £55m was invested in high coupon long-dated gilts and over £23m net was put into equities, about half of which took place towards the end of the year. At the end of the year, the portfolio was split 82 per cent UK equities, 7 per cent overseas equities and 11 per cent fixed interest, the remainder being cash on deposit.

Growth in the Property Fund was even more spectacular, rising by 47 per cent from £282m to £416m. About 40 of L and G's clients use this fund only as a vehicle for direct property investment. The offer price of units rose by 19.2 per cent over the year. During 1978, £57m was spent on new properties, £1.7m on improving existing holdings and £13.5m on the development programme.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are to be increased or the sub-divisions shown below are based mainly on last year's timetable.

TODAY
 Interim—G. H. Downing.
 Final—City and Commercial Investment, Cornhill Dressing, First Guernsey Securities Trust, Koda International, Nu-Swit Industries, SKF, Westwood Doves, H. Woodward, F. W. Woolworth.

FUTURE DATES

Brooks Bond Lings	Mar. 13
Equity Income Trust	Mar. 20
Stobart and Pitt	Mar. 21
Telford	Mar. 9
Finals	
Power Corporation	Apr. 5
Power Surgical	Mar. 9
Fairclough Construction	Mar. 12
Fredking Duggart	Mar. 23
Pizzard	Mar. 19
Tomata Distillers	Mar. 20
Relis-Royce Ltd	Mar. 12
Unisec	Mar. 8
Williams & James (Engineers)	Mar. 22
Yule Carr	Mar. 15

The company offers pension fund investment management services to pension schemes through pooled funds managed by L and G. The trustees can use this service as part of the pension package provided by the parent, or it can simply use the funds for some or all of its investment. During last year 94 new clients opened accounts with the company bringing the total to 432. Of these new clients, 30 were entirely new accounts with no previous connection with the Legal and General.

The amount of new contributions from pension scheme rose by 50 per cent in 1978 from £100m to £150m. A further £55m of new money for investment came from dividends, interest and rents compared with £50m in 1977.

Much smaller rises were recorded in the other two funds. The Equity Fund advanced by over £3m to £33.6m and the Fixed Interest Fund by nearly £3m to £40.2m. The corresponding rises in the unit prices were 11.9 per cent and 3.3 per cent respectively.

County Bank chairman confident

Mr. Wild believes that, during the coming years, some of the company's existing services will be capable of particularly rapid expansion. These include acceptance credits, provision of permanent equity capital for industry and eurobond and other international financing.

He says 1978 was another record year for the bank's fee income and showed a substantial increase in its lending portfolio, a major growth in its position in the eurobond market and the successful launch of two new exempt funds.

The corporate advisory division played a full part in raising capital for industry and introducing new companies to the stock market. By the year-end

its three offers for sale had attracted more than half of total new money raised in this way on the Stock Exchange.

The finance sector increased its advances in sterling and other currencies by 21 per cent over the year while the investment division is currently involved in the management of investment funds exceeding £1.3bn.

Since the last report, the international department has expanded considerably, the chairman states. Eurobond business has become the major area of growth for the department and, in 1978, the most significant operation was the lead management of the U.S.\$225m two tranche issue for National Westminster Bank.

Turnover rose from £172,539 to £202,055. Because the company's main activity is related to the summer season, this profit comes in the second half and this time it advanced from £58,581 to £85,935.

After tax of £9,455 (£9,077), earnings per 26p share are shown higher at 6.02p against 5.15p. The net dividend is stepped up to 3p (2.5p).

The company is a subsidiary of Nicholson Investment.

Edinburgh American policy

Edinburgh American Assets Trust, the investment trust which specialises in small overseas companies, is looking beyond the U.S. for growth.

Because of that country's size and well developed stock markets, the group is likely to maintain a considerable portfolio investment in the U.S., Mr. Peter Balfour, the chairman, tells shareholders in the annual report. At the end of 1978 this amounted to 52 per cent of assets.

Mr. Balfour, however, added: "Other countries with less mature and faster growing economies and sometimes under-based currencies offer opportunities for investment." He says the Trust will continue to broaden its interest in other countries, "particularly in the Far East."

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After tax of £9,455 (£9,077), earnings per 26p share are shown higher at 6.02p against 5.15p. The net dividend is stepped up to 3p (2.5p).

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Brickhouse Dudley, the building and civil engineering cast iron and steel products group, is to rationalise its manufacturing and marketing operations with effect from April 1 by the formation of two new companies. Brickhouse Dudley Manufacturing will effect the group's manufacturing and marketing responsibilities, and will coordinate the planning and production of its five manufacturing companies.

Brickhouse Broads International will utilise and co-ordinate the exporting capabilities of all the group companies. It will work in unison with the group's drainage castings companies to expand its overseas sales.

Group sales have increased over the past five years from turnover of £8m to £21m, with exports now contributing some 20 per cent.

Brickhouse Dudley rationalises

Mr. Balfour acknowledges that the risks of failure are clearly higher for the smaller "unseasoned company" but he points out that this type of investment has greater rewards. A one-for-one scrip issue is proposed.

As known pre-tax surplus rose from £507,035 to £547,174 for

Progress seen by Neil & Spencer

Provided that Neil and Spencer Holdings is able to operate normally and is not unduly affected by outside influences, Mr. J. J. Boex, chairman, believes the group will continue to make good progress in 1979.

The past year was extremely important in the development of the group, and "we are now stronger in product, market and financial terms than at any time in the past," says the chairman.

The order book is buoyant and following the D'Hongre acquisition in January only about a third of the business will be in the UK, with the balance spread widely over the rest of the world.

As reported on January 17 with details of the rights issue and the D'Hongre acquisition, profits before tax for the year ended November 30, 1978, rose from £16,921 to £1,03m on sales of £15,12m (£10,01m).

Conditions in the UK were generally satisfactory, and the garment and rental hire operators, and the dry cleaners, saw a steady increase in their business.

Isle of Man Enterprises

An increase in pre-tax profits from £70,839 to £82,435 in the year to October 31, 1978, is reported by Isle of Man Enterprises, which rents self-catering holiday chalets and receives rents from certain shops and office lettings.

Unilever in 1978

The Directors of Unilever announce the Companies' provisional results for the fourth quarter and for the year 1978, and their ordinary dividend proposals. The results are subject to completion of the consolidated accounts and audit.

Exchange Rates
 As has been our practice throughout the year the results for the fourth quarter and the comparative figures for 1977 have been calculated at comparable rates of exchange being based on £1 = Fl. 4.36 = US\$ 1.91, which were the closing rates for 1977. Profit attributable to ordinary capital for the fourth quarter 1978 has also been recalculated at the closing rates for 1978 being based on £1 = Fl. 3.99 = US\$ 2.03 which will be used for the Annual Accounts 1978.

The results and earnings per share for the full year 1978 have been calculated at the closing rates for 1978. The 1977 figures for the full year are based on the closing rates for 1977. The trends are therefore influenced by the changes in exchange rates during the year. For comparison purposes the trends have also been shown based on comparable rates of exchange.

Combined Results (£ millions)		Increase/(Decrease)		Full Year		Increase/(Decrease)	
1978	1977	1978	1977	1978	1977	Closing Rates	Comparable Rates
2,599	2,319		12%	9,842	9,147	8%	8%
1,083	1,036			4,004	3,958		
1,516	1,283			5,838	5,189		
161.9	127.2	27%		598.8	540.8	11%	13%
(11.3)	(13.5)			(12.6)	(9.6)		
13.8	15.9			64.7	59.1		
2.6	(0.1)			3.5	1.0		
(13.7)	(12.9)			(46.7)	(41.6)		
(14.0)	(9.8)			(51.0)	(43.1)		
0.3	(3.1)			4.3	1.5		
153.3	116.6	31%		607.7	549.7	11%	13%
(71.3)	(43.4)			(276.6)	(243.0)		
(5.6)	(7.3)			(31.3)	(27.6)		
(4.2)	1.0			(5.1)	(0.2)		
(1.1)	(0.7)			(3.0)	(0.7)		
(3.5)	(3.9)			(21.0)	(20.2)		
(2.5)	(2.9)			(17.0)	(16.5)		
(1.0)	(1.0)			(4.0)	(3.7)		
67.6	62.3	8%		270.7	258.0	5%	8%
(5.8)							
61.8	62.3	—(1%)		270.7	258.0	5%	8%
40.7	41.1			150.6	150.9		
21.1	21.2			120.1	107.1		
16.64p	16.78p	—(1%)		164.6	163.3	5%	8%
				72.87p	69.47p		

Results
 Results in 1978 were considerably affected by fluctuations in exchange rates. The impact was especially adverse in the fourth quarter. As well as the United States dollar, other currencies which weakened against sterling were the Brazilian cruzeiro, the Indonesian rupiah and the Nigerian naira.

Fourth Quarter
 In the fourth quarter of 1978 total sales value was 12% higher than in the corresponding quarter of 1977. Of this about 7% arose from increased volume, 2% of which came from National Starch.

In Europe, nearly all product groups contributed to the higher operating profits.

In North America, there was an increase in operating profit due to the contribution of National Starch for the full quarter.

Sales and profits in most countries outside Europe and North America continued to be good.

Non-recurring items included provisions for the costs of re-organisation in our transport business, in our paper, plastics and packaging businesses in Europe, and in Lever Brothers in the United States. Taxation was higher than the unusually low figure in the corresponding quarter of 1977.

The Year
 For the year as a whole, total sales value rose by 8% at comparable rates of exchange. The volume increase was some 3%.

In Europe, the operating profit of most product groups, apart from toilet preparations and our paper, plastics and packaging businesses, improved considerably over 1977.

In North America, results of our businesses there were affected by heavy expenditure for the launching of new products.

In most other countries outside Europe and North America, profits were considerably above those of 1977. UAC International again did well, but profits in Nigeria began to decline towards the end of the year.

Dividends
 The Boards today resolved to recommend to the Annual General Meetings to be held on 16th May, 1979, the declaration of final dividends in respect of 1978 on the Ordinary capitals at the following

Shareholders are reminded that for the purpose of equalising dividends under the Equalisation Agreement the United Kingdom Advance Corporation Tax in respect of any dividend paid by LIMITED has to be treated as part of the dividend. If the rate of United Kingdom Advance Corporation Tax is changed from the current rate of 33/6ths before payment of the dividend now recommended has been completed, the figures now announced will be adjusted accordingly and a further announcement made.

The Report and Accounts for 1978 will be published on 25th April, 1979.

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BIDS AND DEALS

Dalgety steps in for Winchcombe Carson

BY TERRY OGG

The Australian subsidiary of Dalgety has made a £7m agreed cash offer for the rural agency and woolbroking operations of a major rival, Winchcombe Carson.

have been going on for 15 months. We operate in 43 commonwealth countries in pasture and woolbroking operations of a major rival, Winchcombe Carson.

Rossminster will make careful review of Jacksons operations

In its formal offer document for Jacksons Bourne End, the Board of Rossminster Holdings states that it intends to review carefully the operations of each division to determine whether measures can be taken to improve profitability of each of them.

development possibilities at Bourne End but the discussion document issued by the local council is, as yet, no more than a provisional framework of assumptions; it has been put together by the authorities' own planning officers and says possibility of valuable redevelopment on the site is looking a very long way ahead.

BELHAVEN SELLS THREE HOTELS

Three of the four remaining hotels of Belhaven Brewery Group have been sold for a total of £500,000.

RMC makes first U.S. acquisition

Ready Mixed Concrete, the UK-based building materials group with wide overseas interests, has made its first acquisition in the U.S. with the purchase of Piedmont Construction Company.

GELFER/MYERS

A. and J. Gelfer has acquired J. W. Myers of Leeds for £10,000 cash. Myers, which manufactures men's headware, had a net asset value of £12,101 at March 31, 1978, and in the year to that date it made taxable profits of £95,366.

LAGANVALE

Mereghy Investments, a private company registered in the Isle of Man, has agreed to acquire for almost £50,000 a 51 per cent stake in Laganvale Estate, a Dublin based land developer.

GRE £4m American purchase

BY ERIC SHORT

The main U.S. operating subsidiary of Guardian Royal Exchange Assurance, Triton Inc., has announced the acquisition of Fiduciaries Inc., a Milwaukee financial services holding company, for approximately \$588m (£41m). The principal subsidiary of Fiduciaries is Tower Insurance Company, a property and casualty insurer based in Wisconsin.

EPIC'S BELGIAN POSITION

Shareholders of Estates Property Investment Company, who have been waiting since 1976 for the company to disengage from its massive Brussels property development, should have only another 30 days to know the result.

SIMON ENG. £4M. U.S. ACQUISITION

For a consideration of U.S.\$5m (£3.96m) Simon Engineering, the manufacturer of specialised machinery and process plant contractor, has bought Unchem International Inc. of New Mexico.

REED LUMBER

Reed Paper announces that the proposed sale of its lumber business to Alpa Lumber Ltd., expected to close shortly, will not include an assignment of the outstanding series "A" debentures of Reed Lumber.

WORLDWIDE FUND LIMITED

A commodity futures trading fund. Net Asset Value per \$1 share as at 28th Feb., 1979, \$12.04

GLIVE INVESTMENTS LIMITED

1 Royal Exchange Ave., London EC3V 3JU. Tel: 01-283 1101. Index Guide as at March 6, 1979 (Base 100 on 14.1.77)

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD

45 Cornhill, London, EC3V 3PE. Tel: 01-623 6514. Index Guide as at March 1, 1979. Capital Fixed Interest Portfolio 105.10. Income Fixed Interest Portfolio 301.62

MINING NEWS

De Beers lifts profit by 31.8 per cent

BY PAUL CHEESBRIGHT

DE BEERS CONSOLIDATED MINES, the major force in the international gem diamond market both as producer and as a sales agent through the Central Selling Organisation, yesterday announced a 31.8 per cent increase in 1978 net profits and declared a markedly higher final dividend.

Net profits for 1978 were R750.58m (£440m) against a restated R573.5m for 1977. The final dividend is 45 cents (26.3p) a share, bringing the total for the year to 65 cents, 23.3 per cent higher than the 52.5 cents paid to shareholders for the 1977 financial year.

The buoyancy of the figures reflects an exceptionally strong year for diamond sales and follows inevitably from the record sales figures announced in January by the CSO, which handles rough diamonds not only from the De Beers mines but from other producers too, accounting for about 85 per cent of the stones flowing on to the international market.

anticipate, however, was that De Beers would change some of its accounting practices. Capital expenditure for the maintenance of mining facilities has been charged against the diamond account, while diamond export duty has been charged, as part of tax expenses and not, as in previous years, against the diamond account. All the 1977 figures have thus been restated.

Total dividend payments for 1978 are covered 3.16 times by the earnings per share of 205.5 cents (compared with 156 cents in 1977), and the cost of the payments at R233.86m is only slightly less than the R234.12m which accrued from interest and dividend income.

The group's dividend policy therefore continues to be conservative, even allowing for the sizable increase which has been taken place in recent years. The 1978 total of 65 cents is 12.5 cents more than that of 1977, which was itself 17.5 cents higher than in 1976.

The explanation probably lies in the cautious attitude with which De Beers is approaching diamond marketing prospects for 1979. With a good deal of speculative buying which characterised secondary market trading this time last year, now dimmed, the chances of a further surge in rough diamond demand look less. At present there is a surplus of small stones on the polished

market, but high quality, large stones are in short supply. Therefore there has been an incentive to build up the cash balances, which at the end of 1978 stood at a huge R1.29bn after R683.4m at the end of 1977. Two years ago, the group indicated that it needed a cash balance of about half the amount of the value of CSO annual sales to be sure of having enough resources to withstand a market downturn. The present level meets this need.

At the same time it looks as if the group's diamond stocks remain at a low level. Although the quantity and quality of the stones held are not known, their value at the end of last year was R255.6m, not significantly higher than the end-1977 figure of R220.7m given the rise in the money value of the stones over the past year. The stocks were, in any case, run down in 1977.

Table with 2 columns: 1978, 1977. Rows include Diamond account, Interest & div. inc., Other revenue, etc.

What the market could not see last year was the surplus of small stones on the polished market, but high quality, large stones are in short supply.

Berjuntai's new dredge

A NEW tin dredge costing some \$531m (£47m) is to be built by Berjuntai Tin as part of its joint venture deal with the Selangor State Government.

MINING BRIEFS

PAHANG CONSOLIDATED—Output of lead concentrates produced and sold for the month of February amounted to 108 tonnes (January 107 tonnes).

RAND LONDON

Rand London Corporation announces a 34 per cent increase in taxed profit attributable to shareholders of R1.5m (£0.7m) for the six months ended December 31, 1978, compared with R902,000 in the comparable period of 1977.

OIL AND GAS NEWS

Baltimore Canyon leases sale below expectations

APPARENT winning bids at the second sale of oil and gas leases in the Baltimore Canyon area on the mid-Atlantic continental shelf totalled \$42.7m, compared to \$66m on 44 of the 109 tracts offered.

An official of the U.S. Interior Department said the amount and value of bidding was below expectations but the sale was not disappointing.

profit for 1978 was C\$88.5m or \$4.66 per share against C\$8.5m in 1977. After extraordinary items profit was C\$43.9m or \$2.34 per share, compared with C\$37m or C\$4.52 per share. Gross revenue was up 9 per cent to C\$204.7m, the result mostly of higher oil and gas prices.

Due to delays in overseas mail Endeavour Resources has extended the closing date for its three-for-five rights issue at 21 cents (around 11.5p) by seven days from this Friday.

The issue, which will raise A\$6.8m, is underwritten by Jackson, Graham Moore and Partners and a portion will be used to pay the first instalment for the group's 30 per cent share of the Cooper Basin gas and liquids field previously held by Bymah Oil.

In a Canadian oil and gas round-up John Sogalik reports from Toronto that Home Oil's

Corporation, is considering taking a greater stake in the oil and gas industry in Canada and is evaluating a number of potential opportunities for acquisitions, both individual companies and assets, reports Robert Gibbons from Montreal.

Talks are going on with several companies, including Canada Resources, which already holds a 25 per cent interest. Talks with Coseka, based in Calgary, concern a possible combination of assets but no agreement has been reached.

In line with its Canadian oil and gas acquisition policy, Toronto-based Norcen Energy Resources has made an agreement to acquire the Canadian assets of Reno-based Miami Oil Producers Inc. for U.S.\$26.5m (£13.1m) plus a 2.75 per cent overriding royalty.

Properties to be acquired include varying interests in about 112 natural gas wells and in 276,000 net acres of petroleum and natural gas rights. They are mainly in a broad area 100 miles north and east of Edmonton, but Norcen says that major production will be from the lands in the Boyer gas field in northwest Alberta.

BP Canada and Occelot Industries say further drilling is necessary to evaluate their 50-50 owned gas discovery in the Sukunka Region of northeast British Columbia.

THE growth to continue

LORD THORNEYCROFT, chairman of Trust House Forte, says in his annual statement that the good results of last year—when pre-tax profits increased 46 per cent to £55.5m—have continued into the current year, and the directors are optimistic that these levels of trading will be maintained.

When reporting the results for the year to October 31, 1978, Sir Charles Forte, executive chairman, said that, although there were no definite plans at present, the group was planning to extend further European operations for both hotels and catering, with France and Germany high on the expansion list.

The accounts show capital expenditure committed at October 31 of £6.5m (£5m), and approved by the Board but not committed £3.6m (£4.1m).

Prestige Group ready for expansion

IN HIS annual review, Mr. D. J. T. Lawman, chairman of Prestige Group, tells shareholders that efforts will be directed towards the maintenance of the group's continuing progress; "the group has the brand names, the products and the distribution network to take advantage of all opportunities that may occur at home and abroad."

As reported on February 1, taxable profits for 1978 expanded by 9.6 per cent from £6.25m to a record £6.85m on sales of £59.53m (£54.89m). The dividend is the maximum, 6.25p against 5.545p per share.

In the UK the housewares division had another successful year, and Prestige Industrial increased its sales and profits. W. G. Cox and Son turned in record results.

43 companies wound up

Orders for the compulsory winding up of 43 companies have been made by Mr. Justice Vinelott in the High Court. They were: Bedford Ceilings, Formnew, Priorbourne Enterprises, Arton Development Co., Steper Fashions, Brunleys Engineering (Milton Keynes), Domestic Sales (Sussex), Holland-Martin Parker Enterprises, Lancelen, Aldebaran Navigation Corporation, F. A. W. Smith, J. and S. Lynch (Builders), Imperial Coatings, Island Security Kent, Thakar Singh and Sons, Archstan Builders, Corstarr, Derek Martin Car Sales, Lockrise, Bremville Engineering, Gayvalle, B and L Scaffolding, Circlex, MS Building Consultancy, Wilprent Securities, EFM (Fabrications), Patrore, Superior Seating, HMH Fibreglass Fabricated Products, Atoll Chartering and Forwarding, Tartansale.

Intl. Energy Bank expands

Profits for 1978 of International Energy Bank advanced 20 per cent from \$94,471 to \$1,195,560, after tax of \$1,277,053 compared with £1,090,850.

Bank of Ireland announces that the following rate will apply from and including 7th March, 1979

Base Lending Rate 13% per annum

Coats Patons improving in Australia

A 15 per cent increase in profits from A\$8.1m to A\$9.26m for 1978 is reported by Bonds Coats Patons, the Australian textile group, 54 per cent owned by Coats Patons.

The directors say the results represent a further recovery from the low point of 1974 and 1975 and was mainly due to widespread productivity improvements arising from substantial rationalisation and investment in modern machinery.

Good year for Union Corp.

BEST expectations are matched by the 1978 results of South Africa's Union Corporation mining and industrial house. Net earnings have advanced to R62.5m (£38.6m) from R37.7m in 1977 and the final dividend is raised to 32 cents (18.8p), making a total of 47 cents for the year, against 38 cents for 1977.

have weathered a flat period in the South African economy remarkably well and it looks as though they will do no worse in the current year. Income from the group's important platinum and gold interests remains in a rising phase while the recent improvement in the previously depressed market for mineral sales brightens the picture for the 30 per cent interest in the big Richards Bay-Minerals complex in South Africa and also in the 49 per cent stake in the U.S. Cadgen RZ. Looking further ahead the group's R200m Beisa Mines uranium-gold property in the Orange Free State could reach production earlier than thought, possibly in the first half of 1982. A share offer is to be made in due course. At 348p Union Corporation shares now yield 7.9 per cent, an attractive return in view of current year's prospects. The group is controlled by General Mining which is due to announce its results today.

What the market could not see last year was the surplus of small stones on the polished market, but high quality, large stones are in short supply.

New life plan from EIO

A new form of life assurance for the self-employed and others in non-pensionable employment has been launched by the Ecclesiastical Insurance Office. This is a Family Income Plan, providing regular payments to dependants from the date of death of the investor to the end of the period selected.

Intl. Energy Bank expands

Profits for 1978 of International Energy Bank advanced 20 per cent from \$94,471 to \$1,195,560, after tax of \$1,277,053 compared with £1,090,850.

Bank of Ireland announces that the following rate will apply from and including 7th March, 1979

Base Lending Rate 13% per annum

An exploratory well drilled by Union Oil of California in the Delaware Basin of south-eastern New Mexico has encountered gas.

The well, Laguna Deep Unit 1, flowed at a rate of 2.04m cubic feet of gas and 32 barrels of condensate from perforations between 13,365 and 13,369 ft.

Due to delays in overseas mail Endeavour Resources has extended the closing date for its three-for-five rights issue at 21 cents (around 11.5p) by seven days from this Friday.

In a Canadian oil and gas round-up John Sogalik reports from Toronto that Home Oil's

Bank of Ireland logo and branding.

Bank of Ireland logo and branding.

Bank of Ireland logo and branding.

Bank of Ireland logo and branding.

مكتبة الأعمال

CURRENCIES, MONEY and GOLD

for Sterling firm; dollar steady

STERLING remained firm in the foreign exchange market yesterday, with its trade-weighted index, as calculated by the Bank of England, unchanged all day at 64.5. The pound opened at 2.0225-2.0235, its lowest level of the day, and rose slightly to 2.0230-2.0240 around lunch time. The afternoon sterling touched a high point of 2.0260-2.0270, where there may have been some intervention by the Bank of England to prevent further rise. It closed at 2.0245-2.0255, a rise of 22 points on the day. The dollar moved within a very narrow band against its trade-weighted index, on Bank



of England figures, falling slightly to 84.5 from 84.7, according to Morgan Guaranty, the dollar's depreciation was unchanged at 8.2 per cent. The U.S. currency traded between DM 1.8545 and DM 1.8595 against the D-Mark, and closed at DM 1.8580, compared with DM 1.8590 previously. In terms of the Swiss franc, the dollar closed at SwFr 1.6755, compared with SwFr 1.6785 previously, after moving between SwFr 1.6730 and SwFr 1.6780. The dollar also eased very slightly against the Japanese yen, finishing at ¥204.30, compared with ¥204.60 on Monday. The range on the day was ¥203.85 to ¥204.90. PARIS—The dollar improved from early morning levels against the French franc and other European currencies in rather nervous trading. The U.S. currencies slight rise in terms of the D-Mark was attributed to news of a West German payments surplus of DM 117m in January, compared with DM 8.04bn in December. Easing of international tension also helped the dollar, which closed at FFf 2.2885, compared with FFf 2.2825 at the start, but slightly down from FFf 2.2890 late Friday. Sterling firmed to FFf 8.6300 from FFf 8.6670 on Monday. FRANKFURT—The Bundesbank did not intervene when the dollar was fixed at DM 1.8589 against the D-Mark, compared with DM 1.8586 previously. During the morning the U.S. unit moved between DM 1.8550 and DM 1.8590 in quiet and uneventful trading. ZURICH—The dollar was steady in very thin uneventful early trading. There was no news to influence the market, although it was suggested that if President Carter succeeds in his Middle East talks, the dollar may be helped. It opened at SwFr 1.6785, and drifted slightly to SwFr 1.6775, but picked up to SwFr 1.6770 by midday. TOKYO—The Canadian dollar eased to 84.46 U.S. cents, from 84.53 cents on Monday, in early trading. Initial reaction to Canada's January merchandise trade figures, which showed a surplus of \$388m, compared with \$110m in December, had little effect on trading. TOKYO—The dollar declined in moderate trading. The Bank of Japan, which has given support to the yen recently, appeared to stay out of the market yesterday, where dollar selling by exporters outweighed buying by importers. Trading was uneventful, with the dollar closing at ¥204.30, compared with ¥205.17 on Monday. The U.S. currency opened at ¥204.65, and drifted down for most of the day, before picking up slightly at the close.

THE POUND SPOT AND FORWARD

Table with columns: March 6, Day's spread, Close, One month, Three months, % p.a. for various countries including U.S., Canada, Belgium, Denmark, W. Ger., Portugal, Spain, Italy, Norway, Sweden, Japan, and Switzerland.

THE DOLLAR SPOT AND FORWARD

Table with columns: March 6, Day's spread, Close, One month, Three months, % p.a. for various countries including U.K., Ireland, Canada, Belgium, Denmark, Portugal, Spain, Italy, Norway, Sweden, Japan, and Switzerland.

CURRENCY RATES

Table with columns: March 6, Bank of England, Special Drawing Account, Rate, and various currency rates for Sterling, U.S. Dollar, Canadian Dollar, etc.

CURRENCY MOVEMENTS

Table with columns: Mar. 6, Bank of Morgan, Bank of England, Index, and currency movement data.

OTHER MARKETS

Table with columns: Mar. 6, Argentina, Australia, Brazil, Finland, Greece, Hong Kong, India, Iran, Kuwait, Luxembourg, Malaysia, New Zealand, Saudi Arabia, Singapore, Sth. African Rand, and various market rates.

EXCHANGE CROSS RATES

Table with columns: Mar. 6, Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canada Dollar, Belgian Franc.

EURO-CURRENCY INTEREST RATES

Table with columns: Mar. 6, Short term, 7 day's notice, 1 month, 3 months, 6 months, 1 year, and interest rates for various currencies.

INTERNATIONAL MONEY MARKET

New York rates steady. Trading remained quiet yesterday with interest in Treasury bills at a very low level. Thirteen-week bills were quoted at 9.40 per cent, slightly up from 9.36 per cent earlier, while 26-week bills were unchanged at 9.32 per cent. One-year bills were also steady at 9.38 per cent, compared with 9.38 per cent earlier. Federal funds continued to trade in a narrow range and showed little movement from 10.15-10.16 per cent. FRANKFURT—Interbank money rates showed an easier tendency where changed yesterday. Call money remained at 6.41 per cent while the one-month rate was quoted at 10.45-10.46 per cent compared with 10.45-10.46 per cent on Monday. Three-month money fell from 4.25-4.30 per cent to 4.15-4.30 per cent and six-month money was easier at 4.35-4.45 per cent against 4.40-4.60 per cent. The 12-month rate was unchanged at 4.80-5.00 per cent. PARIS—Money market rates continued to show an easier trend yesterday, and call money fell to 6.1 per cent from 6.2 per cent. One-month money declined to 6.6-6.7 per cent against 6.8-6.9 per cent on Monday, and the three-month rate was quoted at 7.1-7.2 per cent from 7.1-7.2 per cent. Six- and 12-month rates were unchanged at 7.1-7.2 per cent and 7.1-7.2 per cent respectively. BRUSSELS—Deposit rates for the Belgian franc (commercial) showed little change yesterday, with one-month deposits at 7.1-7.2 per cent compared with 7.1-7.2 per cent and three-month deposits at 8.1-8.2 per cent against 8.1-8.2 per cent on Monday. AMSTERDAM—Interest rates were generally higher yesterday with call money at 7.1-7.2 per cent compared with 7.1-7.2 per cent and one-month money at 7.1-7.2 per cent from 7.1-7.2 per cent. The three-month rate was quoted unchanged at 7.1-7.2 per cent, as was the six-month rate at 7.1-7.2 per cent. HONG KONG—Conditions were tight initially in yesterday's money market, but eased during the afternoon. Call money was quoted at 11 per cent, with overnight business dealt at 10.2 per cent.

UK MONEY MARKET

Extremely large help. Bank of England Minimum Lending Rate 13 per cent (since March 1, 1979). Day to day credit remained in short supply in the London money market yesterday, and the authorities gave an extremely large amount of assistance. This comprised small purchases of local authority bills and eligible bank bills and a large number of Treasury bills, all for resale at fixed future rates. They also lent a small amount to one or two discount

LONDON MONEY RATES

Table with columns: Mar. 6 1979, Sterling Certificate on deposit, Interbank, Local Authority negotiable deposits, Local Authority bonds, Finance House Deposits, Company Deposits, Discount, Treasury Bills, Eligible Bank Bills, and Fine Trade Bills.

Local authority and finance house seven days' notice, others seven days' notice. Long-term local authority mortgage rates nominally three years 12.125 per cent, five years 12.125 per cent, ten years 12.125 per cent. Treasury Bills: Average tender rates of discount 11.9709 per cent.

Williams & Glyn's believes businesses should make their bank managers work harder for them

If you have the feeling you're running hard to stay in the same place, you would do well to talk to your local Williams & Glyn's manager. Or, if you think your business is doing well but could do better, you could expect him to help you there, too. It's the job of every Williams & Glyn's manager to provide advice as well as money. Show him your accounts and let him run an expert eye over them. Of course he may say he can't fault your financial management. But equally, he may spot something you've overlooked. For instance, our managers often find that simply by tightening credit control, companies can improve their cash flow, reduce their overdraft and increase profitability. Call in and see your local Williams & Glyn's manager soon. You've got nothing to lose. And by working together, perhaps a great deal to gain. Or write to: Marketing Development Office, Williams & Glyn's Bank Limited, New London Bridge House, 25 London Bridge Street, London SE1 9SX.

Five ways to more profitable business. 1 Short-term finance. 2 Medium-term loans. 3 International equipment leasing. 4 Investing surplus funds. 5 Instalment credit.

WILLIAMS & GYLN'S BANK LTD. The most flexible of the big five banks. A member of the National and Commercial Banking Group and one of the Inter-Alpha Group of Banks.

Victor Products (Wallsend) Ltd. Summary of results (unaudited) for the six months ended 31st October, 1978. Table with columns: Six months to 31.10.78, Six months to 31.10.77, Year ended 30.9.78.

The River Plate and General Investment Trust Company, Limited. Chairman reports increased Gross Revenue exceeding the £1M mark for the first time, a 12% increase in the recommended dividend and an 8% increase in the net asset value.

BUILDING SOCIETY INTEREST RATES. GREENWICH (01-858 8212). 281 Greenwich High Road, Greenwich SE10 8NL. Deposit Rate 6.45% Share Accounts 8.10%.

BANK OF CREDIT AND COMMERCE INTERNATIONAL S.A. announces that from 7th March 1979 its base rate is changed from 13 1/2% to 13% p.a. 100 Leadenhall Street London EC3A 3AD.

INTERNATIONAL COMPANIES and FINANCE

Companies and Markets

NORTH AMERICAN NEWS

Surprise purchase by National Steel

BY JOHN WYLES IN NEW YORK

NATIONAL Steel Corporation is making a virtually unprecedented diversification move for a steel company involving the \$243.6m acquisition of United Financial of California, the 11th largest savings and loan association in the U.S.

ability and extensive environmental controls—do not, in the main, exist in the fields of financial services," he added.

Increasingly on money market certificates as a source for mortgage funds.

which has enabled National to reach agreement on a price which offers a 41 per cent premium over book value of \$172m and a modest 8.6 multiple on last year's earnings.

Polychrome takeover compromise likely

By Richard Hanson in Tokyo

RHONE-POULENC, the French chemical group which is vying with Dainippon Ink and Chemical for control of the U.S. Polychrome concern, said yesterday that it would be willing to talk with its Japanese rival on the possibility of a peaceful solution.

M. Jean Gandois, Rhone-Poulenc's managing director, said here that there were only two solutions: continuing with its bid for a majority of the U.S. maker of printing inks and plates, or selling out completely.

The French company's president hinted that Dainippon's offer of \$25 per common share, considerably higher than the price for which Rhone-Poulenc was willing to sell its 40 per cent stake in Polychrome to Dainippon last September, might be worth accepting.

Rhone-Poulenc will go to court this week in New York to ask for a restraining order on Dainippon's bid for Polychrome. The hearing has been delayed and Mr. Shigetaka Kawamura, president of the Japanese company, said in a newspaper interview that the Wednesday hearing may also be delayed again.

Lincoln offer goes ahead

By Our New York Staff

LINCOLN NATIONAL, the large Indiana insurance group, is to proceed with its \$385m takeover bid for American Re-Insurance, despite the company's rejection of its \$32 a share offer.

Dana and Wix

Dana Corporation and Wix Corporation have signed a definitive agreement including renegotiated terms for the acquisition of Wix by Dana, reports Reuter from Toledo.

Prudential-Sony

American Insurance of Prudential is close to completing plans for a joint venture with Sony Corporation to sell life insurance in Japan, Reuter reports from New York.

Dow Corning deal

Dow Corning, a subsidiary of Dow Chemical, said that Shin-Etsu Chemical of Tokyo, will purchase its 45 per cent share of Shin-Etsu Handout, formed as a joint venture by the two in 1967.

Dr. Pepper sued

Dr. Pepper, the soft drinks group, has been named defendant in an anti-trust suit seeking \$45m in damages, filed against the company and Coca-Cola Bottling of Lake Charles by Bayou Bottling Corporation, also of Lake Charles, AP-DJ reports from Dallas.

EUROBONDS

Swiss issue volume and yield hopes deter buyers

BY FRANCIS GHILES

THE considerable volume of new issues denominated in Swiss francs continues to depress this sector of the market. Another factor making investors reluctant to buy Swiss franc issues is the hope that coupons will be increased soon.

Prices have fallen sharply in the secondary market over the past week, though they stabilised somewhat yesterday. The recent 15-year issue for ICL priced at 99 last in January, was quoted yesterday at 93.

These had conditions have led Swiss Bank Corporation to delay announcement of the terms for the SwFr 250m public issue for Australia. This is part of an overall financial package of SwFr 750m, which also includes a fixed rate loan and a private placement.

Meanwhile, Handelsbank NW is arranging a SwFr 75m, 12-year issue for the City of Oslo. The coupon has been fixed at 3 1/2 per cent, and the price is expected to be 99. The amount of this issue could be increased to SwFr 100m.

The proceeds of this bond will help finance a SwFr 40m issue arranged through the same bank by the same borrower in 1973, which is due to mature in 1988. The terms of that issue included a coupon of 6 1/2 per cent. This bond will be redeemed March 20 at 103. The final amount of the new bond and the confirmation of its pricing will be made the same day.

Credit Suisse is arranging a SwFr 60m private placement for AEG Telefunken. Terms include a coupon of 3 1/2 per cent for seven years.

The first Unit of Account denominated bond since early last autumn is expected to be announced for an Italian borrower some time next week by Kredietbank NV.

nominated bonds are currently being arranged. Banque Internationale a Luxembourg is leading a LuxFr 500m eight-year bullet for Euratom. Other terms for this public issue include a coupon of 8 per cent and a price of par.

Meanwhile a LuxFr 350m tranche private placement is being arranged for Emfin in Kredietbank Luxembourg. The first tranche is equal to the first tranche of the 1978 issue, and a coupon of 8 1/2 per cent, the second a maturity of five years and a coupon of 8 per cent. Both have been priced at par.

The dollar sector of the bond market was quiet yesterday with prices moving up by about 1/2 a point in sympathy with the upward trend in New York.

Trading in Eurosterling issues was much quieter than in the past few days; the FFT bond which was trading for the second day, was quoted at 100 1/4, having risen from Monday's closing price of 100 1/4.

MEDIUM TERM CREDITS

Italy prepays \$500m Euroloan

BY JOHN EVANS

THE ITALIAN state credit agency, Mediobanca, has prepaid a second large Euro-currency loan.

A \$500m 10-year credit obtained from a syndicate led by Orion Bank and Credito Italiano in 1973 to finance Italy's balance of payments deficit, has been repaid four years ahead of the original schedule, bankers report.

The loan carried a spread over interbank rates of 1/2 point for the first three years, rising to 1 thereafter.

Mediobanca arranged a \$1.2bn Euro-market facility in 1974.

also to support Italy's balance of payments. A combination of normal amortisation and early payments has reduced the amount outstanding on this loan to some \$440m, according to bankers.

The strong state of Italy's monetary reserves, now standing at \$25.2bn, explains why the country is willing to repay some of its past foreign debts ahead of schedule.

Elsewhere, Bank of America and Banque Arabe et Internationale d'Investissement arranged a guarantee facility of 157.5m Saudi riyals (-41m for Midrac Saudi Arabia.

The facility will support contracts for Bell of Canada in Saudi Arabia, where the Canadian company has responsibility for operation and maintenance of a \$2.9bn telephone system.

Societe Generale, the major French nationalised bank, opened a \$500m credit line to the Mexican Government under a new agreement, AP-DJ reports from Paris.

The French bank will guarantee export credits destined to finance projects included in last week's French-Mexican Government accord.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table with columns for U.S. DOLLAR, STRAIGHTS, DEUTSCHE MARK, SWISS FRANC, and OTHER STRAIGHTS. Includes columns for Issued, Bid, Offer, Day, Yield, and Change on week.

SECURITY PACIFIC

Californian bank moves out of the shadows

BY MAURICE IRVINE IN LOS ANGELES

THE LOS ANGELES-based Security Pacific Corporation, which is applying to have its common stock listed on the New York Stock Exchange and "may consider" seeking a London listing later in the year, is riding high these days.

It is the holding company for Security Pacific National Bank, the tenth largest in the U.S., which is currently giving one of the best earnings performances among top U.S. banks.

Although less well-known and somewhat overshadowed financially by its giant Californian neighbour, Bank America Corporation, with assets of \$88.9bn, Security Pacific, with total assets of more than \$21.6bn (up 16 per cent over 1977), is forging ahead aggressively in the golden state, where its 550 branches make it the second largest branch banking system in the U.S.

The corporation recently announced record earnings for 1978 totalling \$132.9m or \$6.21 per share, a 32 per cent increase over 1977's \$100.5m, or \$4.72 a share. Besides the strength of Security's branch banking system, says Mr. Richard Flansom, the president and chief executive, "we saw improvements in

our international banking results, our corporate and banking trust operations and our banking-related subsidiaries' profits." Mr. Flansom is confidently predicting continued growth on all fronts for many years to come.

It was not always thus. In the mid-60s, Security Pacific had more modest assets of around \$5bn and virtually no international custom or expertise. It lost some corporate clients as they became multinationals. Profits of the bank—which began life as "the Farmers and Merchants Bank" in 1871, the first ever incorporated in Los Angeles—were tied largely to the southern Californian economy.

Transformation

But in 1967, a new chief executive, Mr. Frederick Larkin, took command and began a transformation which is paying off today. Mr. Larkin restructured Security Pacific, engineered a merger with San Francisco's Pacific National Bank hence today's name, and expanded both state operations and corporate lending nationwide. Today, Security Pacific is

doing business with 90 of the top 100 U.S. corporations. Under Mr. Larkin's guidance an international network of offices was created in major trade centres around the world.

All this expansion cost a great deal of money and between 1969 and 1974, earnings were low. But 1975 brought a turnaround and ever since profits have been on the rise—the average rate of share earnings increase has been 20.6 per cent a year.

Following a stint as board chairman, Mr. Larkin retired recently and was replaced by the second executive in the hierarchy, Mr. Carl Hartnack, who joined the bank as a messenger 45 years ago. It is Security Pacific's "balance," its combination of a strong local base with thriving U.S. and international operations, says Mr. Hartnack, that will ensure continued long-term growth.

Last year, international operations contributed 12 per cent of net income. But Mr. Hartnack aims to improve that figure. Already, Security Pacific has offices and branches in 27 foreign financial centres and correspondent relationships serving customers in 70 coun-

tries. Regarding a listing on the London Stock Exchange, Mr. Paul Smith, the bank's finance committee chairman, will say only that the board "may consider that in 1979."

Over the past five years, dividend payments have averaged about 42 per cent of net income per share. Stock has been trading over the counter in the \$29-\$33 range. In January, the company announced a 20 per cent stock dividend which will increase the number of shares outstanding from 22.8m to 27.4m. The present 45 cents a share cash dividend will be paid on the one new share of stock to be issued for each five shares held, giving stockholders a 20 per cent increase in the cash dividend.

Promotion "The average trading price of our common stock," says Mr. Smith, "is now above that of our major competitors."

Yet Security Pacific, Mr. Smith concedes, remains an unfamiliar name to many investors and to remedy this the company has spent some \$26m in two years—and will be spending more—on an international promotion drive.

IC Industries sets record 1978 sales, income and earnings per share.

Table titled 'IC INDUSTRIES CONSOLIDATED STATEMENT OF INCOME' showing financial data for 1978 and 1977, including Sales and Revenues, Income Before Taxes, Taxes on Income, Net Income, and Common Share Dividends.

Earnings per share increase 21 percent to record \$5.23.

1978 was the third consecutive year IC Industries set new records in sales, income and earnings per share. Sales moved significantly past the two billion dollar mark to \$2.7 billion, while net income increased 22 percent to \$97 million.

Earnings per share were an all-time high of \$5.23 per common share, up 21 percent over 1977. Record 1978 was highlighted by a strong fourth quarter. IC Industries best reporting period ever. Fourth quarter pre-tax income of \$6.3 million for the Transportation Group, primarily the ICG Railroad, plus the strong sales and income of newly acquired Pet Incorporated helped IC Industries finish the year with record performance.

Consumer Products exceeds \$1 billion in sales to become largest IC Industries group.

Consumer Products, with the inclusion of Pet for five months, posted sales of \$1.1 billion, up from \$475 million in 1977, to make it IC Industries largest group. Consumer Products again, for the third consecutive year, was IC Industries

leading group in year-to-year growth of pre-tax income, a 70 percent increase over 1977.

Pet, with its strong position in the American food system; Midas, with more than 1,100 automotive service shops worldwide and a growing marketer of recreational and commercial vehicles; and IC Industries soft drink companies, (Pepsi-Cola General Bottlers, Dad's Root Beer and Bubble Up), make up the Consumer Products Group. Each had excellent years. Our soft drink sales increased at twice the 1978 industry gain reaching a record of \$242 million, up 15 percent over 1977.

Commercial Products has seventh consecutive year of record sales and earnings.

Abex Corporation and subsidiaries make up the IC Industries Commercial Products Group. Automotive products, railroad products, fluid power and castings are the four diversified product lines of Abex.

Abex set record sales of \$743 million and record pre-tax income of \$76 million. At year-end, the backlog of unfilled orders reached an all-time high of \$362 million, a 40 percent increase over a year ago.

increase from the Railroad Products Group where orders were strong for cast steel wheels, trackwork and the environmentally engineered asbestos-free and lead-free Tiger brake shoes. The Fluid Power (formerly Hydraulics) Group showed excellent growth with a nearly 25 percent increase over 1977.

IC Industries: Growth by Design.

1978 results again demonstrated the strength, stability and growth in profitability of IC Industries. It's all part of a plan, a plan that's working.

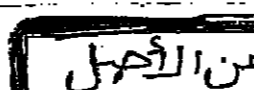
A plan that has moved our sales from \$300 million in 1968 to \$2.7 billion in 1978 and net income from \$27.6 million to \$97 million.

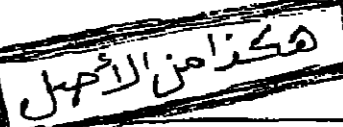
With Pet contributing as an IC Industries company for the full 12 months, IC Industries expects new record consolidated sales and excellent earnings for 1979.

If you'd like to know more about why we keep setting records, write: IC Industries, Inc., European Office, 55, chemin Moise Duboule, CH-1209 Geneva, Switzerland.

IC Industries Growth by design.

IC Industries Growth by design.





French insurer to buy Hong Kong stake

By Terry Dodsworth in Paris

Assurances Generales de France (AGF) reckoned to be France's second largest insurance company after Union des Assurances de Paris...

PRIVATE BANKS IN SWITZERLAND

Shaking off the dust of tradition

BY BRIJ KHINDARIA IN GENEVA

AFTER NEARLY two centuries of rigid independence the oldest surviving private bank in Geneva has agreed to step down from its pedestal...

In view of all these factors and the ever-growing power of the big banks the partners of Hentsch decided about two years ago that they would have to galvanise themselves to ensure healthy survival for the families' next generation of bankers...

posals with a fine tooth comb.

But it finally accepted Mr. Hentsch's arguments and those of his Swiss partners, relying on Hentsch's long tradition and impeccable Swiss credentials to ensure that Banorient will remain a Swiss controlled bank...

With an initial capital of Sw.Frs.10m, Banorient will act as an ordinary commercial bank providing Swiss industry with specialised banking services in an area of rapid growth...

Hentsch will remain in the background and expects that its own contacts in the Arab world through its Middle-Eastern affiliates in Banorient will bring it the word-of-mouth promotion needed to obtain additional deposits from the Gulf area...

"A private bank may appear to be small, conservative and even backward to some people who do not know how we operate, but we rely on relationships of trust and confidence with our clients to bring us business," Mr. Hentsch explains.

ASEA cautious as earnings slip

BY WILLIAM DULLFORCE IN STOCKHOLM

THE 1978 shareholders' report from ASEA, the Swedish heavy electrical engineering group, is cautious about prospects of a profit recovery this year.

Production costs are expected to climb faster than in 1978; capacity utilisation should be higher but the difficulties of raising prices to keep pace with inflation will, it is estimated, allow only a restricted improvement in earnings.

Last year group turnover increased by only 1 per cent to SKr 9.8bn (\$2.25bn) and the pre-tax profit tumbled from SKr 511m to SKr 330m (\$75.8m). Earnings were SKr 9 a share compared with SKr 13.50 in 1977.

In the 1978 account ASEA switched from cost-calculated to planned depreciation, which makes a difference of some SKr 127m to the pre-tax earnings shown. The 1977 figure was adjusted to comply.

The profit slide was attributed to inadequate utilisation of the group's production capacity, a factor compounded by the Swedish costs level and by resistance by the Swedish workforce to change jobs.

Against these trends was set the 23 per cent increase in the order intake to SKr 9.96bn, leaving the group with an order book valued at SKr 15bn at the end of the year.

ASEA Electric in South Africa has predicted that the electrical capital goods market will reach a trough in 1979-80, writes Jim Jones in Johannesburg.

The 45 per cent-owned subsidiary of ASEA Sweden reported that on the year to December 31 the company achieved record profits, as large orders placed in the first half of the decade were largely completed.

In 1978, turnover rose 12.3 per cent to R58.9m (\$70.1m), compared with R52.4m in 1977. This was accompanied by a 45.1 per cent pre-tax profit increase to R6.58 (\$10.2m) compared with R5.91m the previous year.

Though profits this year were expected to be lower, they should provide adequate funds for new developments.

Joint venture in Geneva

By John Wicks in Zurich

A FINANCIAL consulting company called Delcon Financial has been established in Geneva with a capital of SwFr 1.5m (\$892,000) as a joint venture of Deutsche Laenderbank AG, Frankfurt, and the London-based Consolidated Gold Fields concern.

Deficit builds as Saga heads for production

BY FAY GJESTER IN OSLO

SAGA PETROLEUM, the Norwegian oil consortium, reports a deficit in its consolidated accounts for 1978 of Nkr 127m (\$26m).

Swiss state loan opens at discount

By Jeffrey Brown

THE SWISS government loan—the first to be issued since early 1977—moved straight to a 1½ points discount when dealings opened yesterday, confirming the effective failure of the offering.

Setback for KemaNobel but dividend raised

BY OUR STOCKHOLM CORRESPONDENT

PRE-TAX earnings of KemaNobel, the Swedish chemicals company, declined by seven per cent from SKr 120.7m to SKr 112.5m (\$25.9m) in 1978 despite a 19.5 per cent increase in turnover to SKr 2.71bn (\$619.3m).

Hill Samuel Base Rate

Hill Samuel & Co. Limited announce that with effect from the close of business on Wednesday, March 7, 1979, their Base Rate for lending will be reduced from 13½ per cent to 13 per cent per annum.

ND SERV

Vertical text on the left side of the bottom section, possibly a list of names or a sidebar.

SONATRACH advertisement including logo, company name, and list of participating banks and financial institutions.

Midmac Saudi Arabia Limited advertisement including financial details, guaranteed by BankAmerica International Group, and list of participating banks.

China's expansion offers West huge opportunity

BY KENNETH MARSTON, MINING EDITOR

THE HUGE industrial transformation planned by the People's Republic of China comes at a time when the world's miners of base metals are only just beginning to emerge from a three-year recession and the oil majors are wondering where their future lies.

China's industrial renaissance is going to call for an unprecedented expansion of her mineral resources. It is in this basic area that China must look to the West for assistance: outdated technology involving masses of semi-skilled labour is no longer good enough.

In spite of the little information available about the extent of the likely mineral deposits, it is known that Chinese exploration technology stands up well by world standards, no doubt because priority was given during the past 30 years to the development of mineral resources.

Indeed, imports of finished metals and concentrates have been relatively small and for some such as tin, tungsten and antimony, surpluses have been available for export. What China needs now is the most modern technology and equipment to develop and expand production of the existing known deposits of minerals and do it rapidly.

China is particularly short of copper, lead, zinc, and the steel industry metal, cobalt. No accurate figures are available, but it is estimated that the country's production of copper was about 100,000 tonnes in 1977, against a full requirement now approaching 300,000 tonnes a year.

Annual output of lead and zinc is also reckoned to be running at about 100,000 tonnes of each metal. Not surprisingly, the mineral projects discussed recently with the Charter-CJB and Seltrust Engineering groups under the mineral agreement signed between the UK and China concerned these four metals.

Discussions with the British companies also concerned a tin development at Kechiu in Yunnan Province and a tungsten project at Chengxian in Hunnan Province. China is known to have large deposits of these metals, development of which would open up a valuable export trade.

Other valuable deposits include gold and, possibly, diamonds. During the Maoist régime relatively little attention was paid to them. Now, however, it is said that China's spending on gold exploration

this year will equal the total for the past 30 years.

So far there are no diamond mines in China, but the precious stones have long been known to exist there. The most recent find was made in December 1977 when a girl commune worker of the Chang Lin brigade in Lin Shu district, Shantung Province, found a huge 188,786-carat diamond while weeding in the fields.

Now called The Chang Lin Diamond, it is the second of importance to be found in the same area of the Province. The discoverer, Wei Zhen Fang, was given a reward of 3,000 yuan (£950) and raised from peasant to worker status while the Chang Lin brigade was given a 24 hp tractor.

Other mineral resources in the People's Republic include big reserves of coal, iron ore and oil. Bauxite (for aluminium) is also there along with manganese, uranium, molybdenum, antimony, asbestos and fluor spar. After concluding a major study in 1975 Dr. K. F. Wang of the U.S. Bureau of Mines commented: "China is one of the world's rich mineral areas, fully capable of supporting a modern first-rank industrial economy."

China's other important asset is a large and intelligent labour force which tends to do as it is told. At the same time the Chinese are anxious to employ skilled technicians from overseas and no demands are made about a high level of employment of domestic workers.

Options

At this stage the options are wide open. China welcomes assistance from all countries outside the Soviet bloc and, indeed, every major industrialised country is represented in the current rush to do business with the People's Republic. Proposals sought from the Western representatives have gone so far as to include joint ventures.

Of the major deals announced America's Fluor Mining and Minerals has an \$800m open-pit copper complex planned near the Teshing area in Kiangsi Province which could be completed by 1983. It is thought that concentrates from the Teshing mine would be treated at the \$117m copper refinery, with an annual capacity of 90,000 tonnes of copper, which Japan's Sumitomo group plans to build.

U.S. Steel has in mind a \$1.6bn iron ore development

which would fit in with China's aim to double steel production to 60m tonnes a year by 1985.

A West German consortium plans to develop six underground and two open-pit coal mines. Two other collieries and mining equipment come under the auspices of Britain's National Coal Board and Powell Duffryn.

A \$1bn package is represented by the six mining projects which are being shared by the Charter-CJB and Seltrust groups following the latest UK mission. British Petroleum is getting into the Chinese oil exploration rush with a preliminary agreement to drill offshore in the southern area of the Yellow Sea.

Because the options are still open, few, if any, of the major "contracts" have been taken beyond the letter of intent stage to be finally signed and sealed. Several smaller deals have been settled on a cash basis but these can be considered as part of China's normal trading arrangements.

The big question is how China, with her lack of foreign exchange, will pay for the new multi-billion purchases. Huge amounts of credit will have to be made available and a great deal of it may be provided by U.S. institutional lenders.

Such is the country's credit rating that the \$7bn economic co-operation pact just signed between Britain and China is backed by a \$2.5bn line of credit in dollars until 1985 supported by the Export Credits Guarantee Department on behalf of the UK Government. And promises of about \$6.6bn for possible steel projects have been made already by the banks.

Compensation trading — or barter — is also expected to figure in financing China's expansion.

For instance, tentative offers of coal have been made to the National Coal Board, surprisingly — and offers of Chinese oil may well be accepted despite its wax content. In due course China's resources of tungsten, probably the largest in the world, may come importantly into the barter picture.

There is a fear that the Chinese may have over-reached themselves in their desire to ensure a major industrial advance being achieved over a planned period which looks to be as short as six years. Perhaps the Chinese feel this, too. Certainly, they continue to scrutinise closely the various proposals that are being put to them and the latest UK deal has

been scaled down from the £10bn target set in London.

Although China represents a challenge to the Western companies it also holds the prospect of high reward, a situation in which mining men have always thrived. There also appears to be a refreshing absence of the high financial risks which are a big deterrent to new mining ventures in Western developing countries.

Damage

Greatly to the concern of the European Economic Community, which is largely dependent on the developing countries for its future metal supplies, new mining investment in them is at a standstill. Abrogation of operating agreements, insecurity of capital investment and political instability have done as much damage to mine development prospects as have depressed base-metal prices.

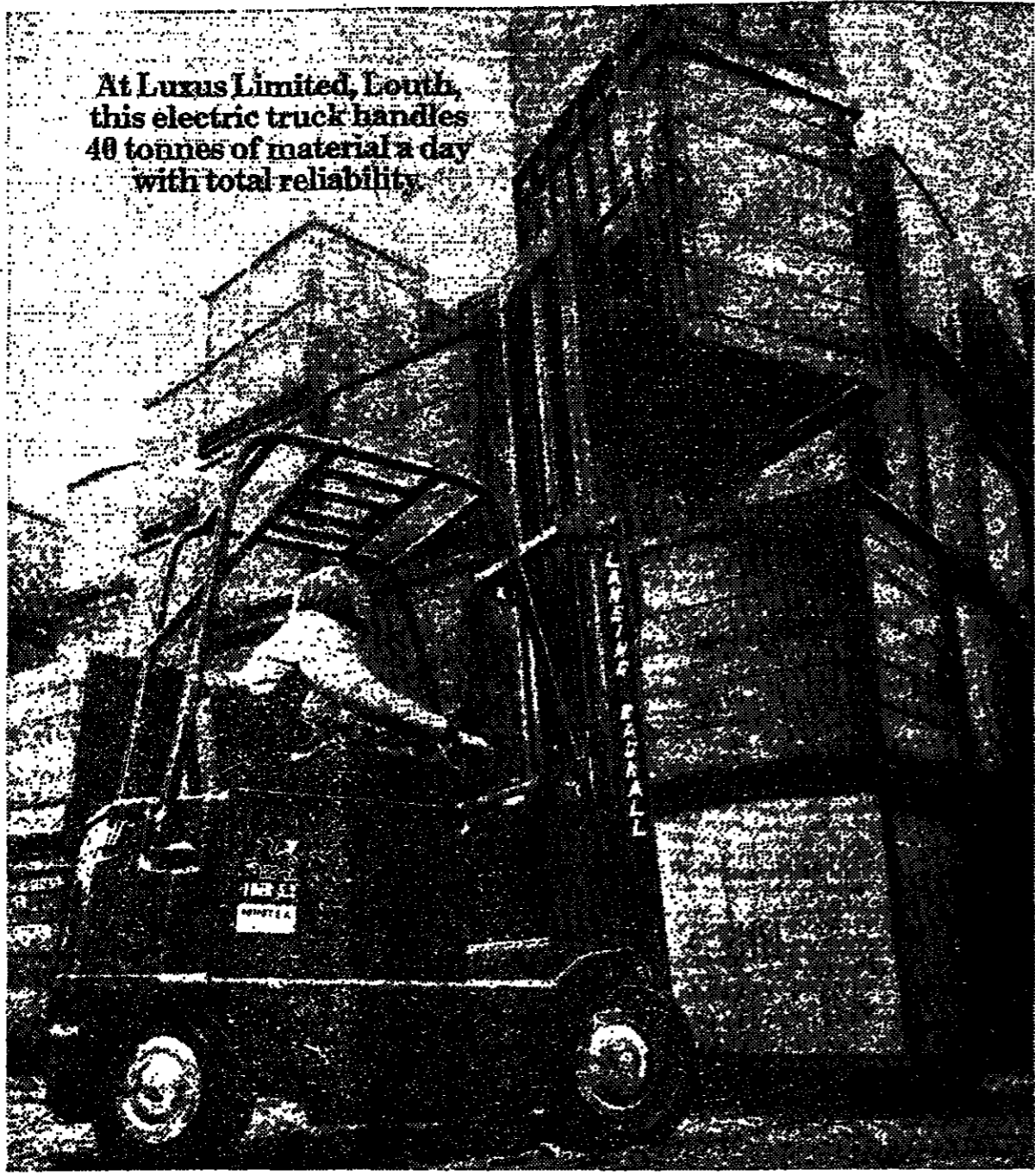
Is it possible that the rush in China will alter this situation? All that can be suggested is that the current switch of the mining companies' focus of interest to the East must be causing concern in other developing countries anxious for the development of their natural resources now that base-metal prices are recovering.

Only two important new copper mines are due to begin operation this year: La Caridad in Mexico and the Sar Cheshmeh property in Iran whose prospects are clouded by the confused political situation there. Meanwhile, the extent of the recovery in copper and other base-metal prices remains a little uncertain in view of the doubts persisting about the near-term course of the Western economy and that of the U.S. in particular.

Perhaps the Chinese industrial revival will underpin it in metal prices. Existing mines, even in China are not expanded overnight and still less are new deposits developed. Several years will be required for the People's Republic to be self-sufficient in metal.

In the meantime, China will have to turn to the West for supplies and, indeed, the country is already a sizeable buyer of copper.

For the Western mining industry now emerging from its years of recession, China could provide an era of prosperity over the next few years. What remains to be seen, however, is what happens when China becomes a net exporter of metal.

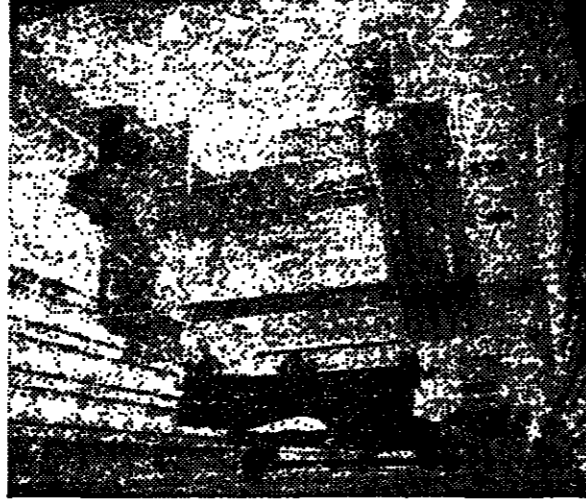


At Luxus Limited, Louth, this electric truck handles 40 tonnes of material a day with total reliability.

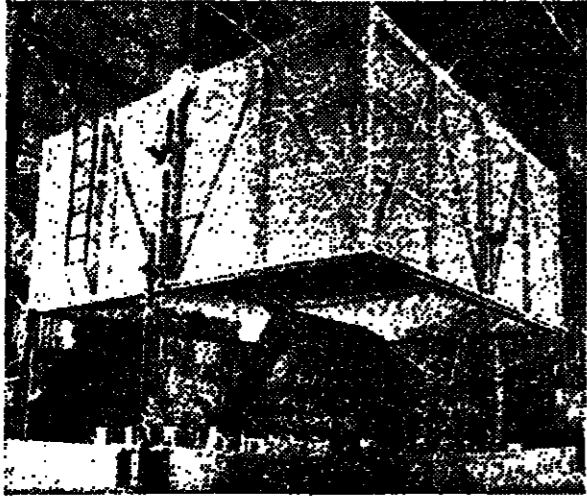
Electricity gives productivity a lift



Electric vat heating gives Daly Condensers Limited, Weymouth, more economic anodising.



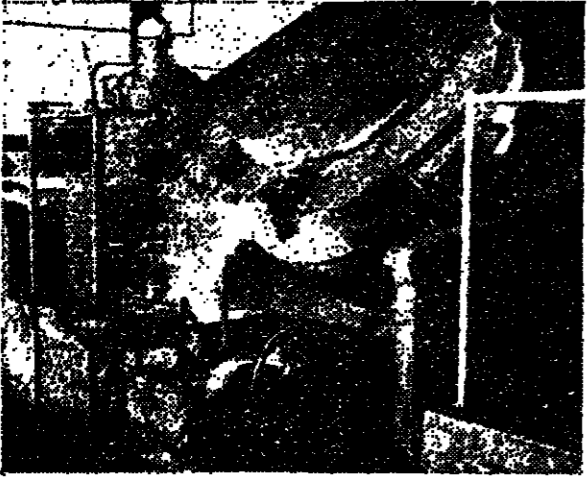
Blaw Knox Limited, Rochester, speed paint drying with electric infra-red oven.



Stainless Metalcraft Limited, Chatteris, cut heat treatment costs by 25% with electric LFM furnace.



Supplementary electric steam raising at point of use saves money for Hall and Hall Limited, Hampton.



Lower operating costs and greater productivity for R Hunt & Co. Limited, Earls Colne, with electric melting.



Electric infra-red cuts curing time by 90% at Compra Trim & Nameplates Limited, Dunstable.

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increase your company's efficiency and profitability, get in touch with an Industrial Sales Engineer at your Electricity Board. Alternatively, write to The Electricity Council, Room 2R4, 30 Millbank, London SW1P 4RD for a copy of 'Electricity. Results on application', a new booklet of case histories.

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All of these securities having been sold, this announcement appears as a matter of record only.

New Issue / March, 1979



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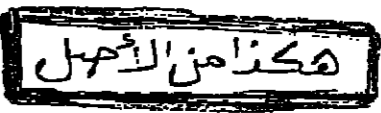
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مكتبة الأهرام



COMMODITIES AND AGRICULTURE

Tobacco stocks rise again

By Our Commodities Staff
WORLD PRODUCTION of tobacco exceeded consumption for the fifth year in succession in 1978 according to the new Tobacco Quarterly review...

Hides dearer but demand falls

By RICHARD MOONEY
HIDES PRICES at yesterday's Birmingham auction climbed to all-time peaks but dealers at last noted some signs that the market might be leveling off...

Ugandan coffee may be delayed

By Our Commodities Staff
LONDON COFFEE traders confirmed yesterday they had been warned of possible delays in deliveries of Ugandan coffee...

COPPER PACT TALKS U.S. change revives hopes

By BRIJ KHANDARIA IN GENEVA
THE reaction of world copper producer nations such as Peru, Chile and Zambia by saying that the U.S. was willing to talk about market stabilisation...

Damage

By Our Commodities Staff
The review notes that there was a modest advance in consumption. But the increases in demand for cigarettes is expected to have been more pronounced...

French grain losses rise to 2m acres

By CHRISTOPHER PARKES
THE TOLL of French grain crops destroyed by the January freeze has now risen to 870,000 hectares (2.15m acres) according to official figures...

Incentives for Argentine agriculture

By Robert Lindley in Buenos Aires
IN THE WAKE of the Government's 1978-79 price controls, the 1979-80 spring harvest may be the biggest in Argentina's history...

EEC doubts on copper aid plan

By GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT, IN BRUSSELS
EEC FOREIGN Ministers agreed in principle yesterday to consider including in the next Lomé Convention a new system of aids and financial guarantees...

BRITISH COMMODITY MARKETS

Table with columns for various commodities like Copper, Tin, Zinc, Lead, Silver, Gold, and their prices in London.

COFFEE

Table showing coffee prices for various types like Arabica and Robusta.

GRAINS

Table showing grain prices for wheat, barley, and other cereals.

PRICE CHANGES

Table showing price changes for various commodities over a period of time.

AMERICAN MARKETS

Table showing market data for American commodities.

Monday's closing prices

Table showing closing prices for various commodities on Monday.

INSURANCE BASE RATES

Table showing insurance base rates for different types of policies.

PUBLIC NOTICES

Various public notices including council decisions and company announcements.

SILVER

Table showing silver prices.

WHEAT

Table showing wheat prices.

SUGAR

Table showing sugar prices.

Wool futures

Table showing wool futures prices.

MEAT FUTURES

Table showing meat futures prices.

Large advertisement for 'Should you still hold, add or sell metals?' featuring 'LONDON COMMODITY CHARTS' and 'MOODY'S'.

LONDON STOCK EXCHANGE

Public sector wage votes lend support to equities Long Gilts react but above worst while Shorts end better

Account Dealing Dates

*First Declara- Last Account Dealings Feb. 22 Feb. 23 Mar. 6 Feb. 22 Mar. 8 Mar. 9 Mar. 20 Mar. 12 Mar. 22 Mar. 23 Apr. 3

Equity markets yesterday cautiously mirrored an extension of the previous day's late reaction in the Gilts-secured sector and leading shares eased in the early morning trade. However, news that NUPE local authority manual workers had voted to accept the latest wage offer reversed the downturn before noon.

The rally discouraged potential sellers and for a while inquiries from small public investors were fairly numerous for all classes of shares. A steadier tone in the funds also helped sentiment but late in the afternoon a lethargic air settled over the market and the leaders began to drift a shade lower despite a continuation of the rally in Gilts-edged.

Some holders of the latter decided to take recently secured large profits in the absence of any overseas interest while others were raising funds necessary for the call of £25 due next Tuesday on the longer of the two Government scrips: a call of an identical amount \$ due on the short-medium issue, Exchequer 131 per cent 1987, on March 19.

Reflecting this liquidation early falls among the longer maturities were increased to 11 points before the reduced rate on this week's batch of Local Authority Yearling bonds revived hopes about the interest rate structure which has been instrumental in both the foreign and domestic support of Government stocks over the past two weeks.

Once again the shorts made a more impressive showing than the longs by more than regaining early falls ranging to 1 to 2 points higher on balance with low-coupon issues again to the fore in renewed demand from surplus payers. The longs, down 11 points at one stage, reduced the losses to 1 generally and Treasury 131 per cent 2000/03 closed that much easier at 25 in £15-paid form.

After the official close, the equity leaders were followed by the General and Municipal Workers' Union vote for acceptance of the pay offer and the FT 30-share index went forward again to end 1.6 higher on the day at 486.2. Official markings remained high at 453, indicating the numerous small orders from public sources.

A fresh downturn in the investment currency premium

was cushioned by revived institutional interest at the lower levels and the rate closed only 1/2 cheaper on the day at 801 per cent, after 80 per cent. Turnover as a whole was much reduced on the previous day's scale. Yesterday's SE conversion factor was 0.7131 (0.7054).

Much quieter conditions returned to the Traded Option market yesterday and only 888 contracts were completed compared with the previous day's 1,787 and last week's daily average of 1,456.

Banks cheaper

The major clearing banks saw a continuation of the previous day's earlier trend which followed the reduction in base lending rates. Lloyds ended 3 off at 310p, while Midland gave up a similar amount to 380p, after 385p; the latter's preliminary results are due on Friday. Investment currency and domestic market influences prompted falls of around 9 in ANZ, 34p, Hong Kong and Shanghai, 28p, and Bank of New South Wales, 27p.

Discounts tended lower with Union Down 3 at 340p Mercury Securities, 4 higher at 144p, were an isolated firm spot among merchant banks.

Insurances again plotted an irregular course. Willis Faber relinquished 7 to 235p but Hoeg Roblison added 3 at 136p and Christopher Moran rose 2 more to 45p. Legal and General hardened a penny to 155p helped by news that the group now has over £1bn of funds under management.

Interest in the Brewery leaders faded and prices were rarely altered, but scattered demand for second-hand issues and Morland to the good at 80p and Marston Thompson 3 dearer at 89p.

Leading Building issues tended easier on light offerings and a withdrawal of buying interest. Taylor Woodrow eased 1/2 to 525p and Marchwell 4 to 116p. Elsewhere, BPE attracted buyers and moved up 5 to 257p, but recently firm Tunnel B encountered profit-taking and gave up 6 to 288p. Ahead of tomorrow's annual results, Derek Crouch firm 6 to 136p.

Fisons, at 313p, gave back 4 of the previous day's rise of 7 that followed the better-than-expected annual results, while ICI in subdued trading, finished a penny off at 588p. Among other chemicals, James Watson found 1/2 support at 32p, up 2 and, in late dealings, Rentokil improved a like amount to 80p.

MFT dip and rally

After absorbing early profit-taking, MFI Furniture Centres

rebounded sharply on a resurgence of investment buying ahead of the forthcoming reorganisation and closed a further 30 better at a 1978-79 peak of 320p, after 285p. Greenfield Leisure improved 2 1/2 to 55 1/2 in response to the higher annual profits, while investment demand prompted a rise of 3 to 102p, after 104p, in UDS. Raybeck saw support at 100p, up 4 1/2, while a late flurry of interest helped Gussies A close 3 to the good at 338p. Automated hardened a penny to 70 1/2 in front of today's preliminary results.

Electrical leaders picked up from a dull start and final quotations were a few pence dearer on balance. A fair amount of interest was again shown in GEC which touched 352p before settling at 358p for a rise of 3 on balance. Plessey finished 2 to 300p, after 298p, the latter's preliminary results are due on Friday. A major redistribution of senior executive responsibilities yesterday as a further step towards decentralisation of its activities. Profit-taking was evident in some of the recent favourites. United Scientific reacting 10 to 270p and Teleflex Rentals 6 to 170p. Losses of around 5 were recorded in Farnell, 455p, Eurotherm, 320p, and Maribon, 250p. Automated Security, however, met support and put on 5 to 127p.

Occasional profit-taking left the Engineering leaders a few pence easier in places, however, Brown reacting 4 to 450p and Vickers 2 to 178p. Tubacore, down without alteration at 360p, after 356p. Elsewhere, news of the acquisition of Unichem International stimulated fresh demand for Simons Engineering, which reacted 4 to 280p, but Manganese Bronze, down 3 more at 56p, continued to reflect the sharp fall in interim profits. Demand persisted for Staveley which rose 4 further to 257p, while gains of a similar amount were marked against Jones Shipman, 155p, and Spirax-Sarco, 180p. Sporadic buying lifted Yarrow 7 to 345p, while Camford Engineering moved up 4 to 77p in response to the encouraging senior of the annual results. Among smaller-priced issues, Davies and Metcalfe "A" hardened a penny to 32p awaiting tomorrow's preliminary results.

Unilever disappoints

Up 15 on Monday on revived takeover rumours, Bishop's Stores A, in a thin market, advanced 2 1/2 to 138p. The ordinary moved up 2 1/2 for a two-day gain of 46 to 201p. In sharp contrast, profit-taking left speculative favourite Bernard Matthews 11 cheaper at 214p. Among quietly traded leading Foods, small offerings clipped 3 from J. Sainsbury at 260p but

late interest prompted a gain of 8 to 236p in Associated Dairies. Despite a near 15 per cent contraction in annual earnings, Turner and Newall rallied from 156p prior to the announcement to close a couple of pence harder on balance at 162p on relief that the final dividend had been maintained. Unilever registered disappointment with the results and lost 6 to 590p, while falls of 3 were recorded in Glaxo, 535p, Pilkington, 307p, and Trafalgar House, 30p. Elsewhere, still unsettled by the controversy surrounding the 10 per cent commission charges, auctioneers Sothebys gave up 8 more to 334p, while Christie's International declined 4 to 145p in sympathy. Renewed nervousness ahead of the results prompted a reaction of 3 to 260p in Booker McConnell and A&B shed a similar amount to 100p following trading news. Profit-taking after the previous approval on April 2 prompted a reaction in the latter's shares of 3 to 515p which is around 9 below Sims's alternative cash bid.

The announcement that Sims Darby has increased its shareholding in Guthrie to nearly 30 per cent and are confident of acquiring a further 10 per cent pending shareholders' approval on April 2 prompted a reaction in the latter's shares of 3 to 515p which is around 9 below Sims's alternative cash bid.

Gold down again

After staging a good rally in the morning reflecting the steadier tone of the bullion price, which was finally 87.5 cents firmer at \$239.125 per ounce, South African Gold came under renewed selling pressure following reports that South African jets had attacked alleged guerrilla bases in Angola.

Initial modest gains in share prices were subsequently replaced with minor losses across the board and the Gold Mines index consequently showed a further 2.2 fall at 199.0, its seventh consecutive decline. The ex-premium index gave up 0.5 to 17.4.

The South African strike into Angola also affected the Financials. A notable exception, however, were De Beers, which closed 6 higher on balance at

456p, after being as low as 446p on the Angola news, following the excellent results which prompted a fair amount of London and Johannesburg buying.

Union Corporation also performed well, closing unchanged on balance at 348p in front of the sharply higher profits and increased final dividend. On the other hand, Anglo American dropped 10 to 354p, "Johnnies" a half-point to 17, "Angold" 2 to 116 and "Amcoel" 25 to 845p.

Lower base-metal prices affected sentiment in London Financials which drifted in idle trading. Rio Tinto-Zinc fell to 288p before recovering to close 5 lower on balance at 290p, while Charter ended 3 cheaper at 169p.

Platinum was easier with falls of around 5 common to Impala, 506p, and Rustenburg, 141p. Copper showed minor recovery a further 10 off at 195p.

RISES AND FALLS YESTERDAY

Table with columns: British Funds, Foreign Bonds, Financial and Prop., Oils, Recent Issues, etc. and values for up/down/same.

which drifted off to close 8 cheaper at 1048p. Ahead of tomorrow's preliminary results, Shell gave up 6 to 652p.

Among quietly dull Overseas Traders, Gill and Duffus lost 5 at 168p and S. and W. Berisford declined 6 to 194p.

In the Shipping sector, renewed activity was seen in P and O Deferred which rallied to 73p before fresh selling took the price down to a close of 71p for a fall of a penny on balance.

The only movement worthy of note in South African was a reaction of 8 to 177p in Greatmans A following the reduced interim earnings.

ACTIVE STOCKS

Table with columns: Denomina- No. Stock price (p) Change 1978-79 1978-79, listing various stocks like Barclays Bank, BP, etc.

FINANCIAL TIMES STOCK INDICES table with columns: Government Secs., Fixed Interest, Industrial, Gold Mines, etc. and values for March 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 1978, 1979.

HIGHS AND LOWS table with columns: 1978-9, 1979-0, listing High and Low values for various stock categories.

NEW HIGHS AND LOWS FOR 1978/9 table with columns: NEW HIGHS (78), NEW LOWS (79), listing various stocks and their prices.

OPTIONS table with columns: DEALING DATES, listing various options and their details.

APPOINTMENTS

Mining post at Turner Newall

Mr. K. H. Dixon, a director of TURNER AND NEWALL subsidiary, TBA INDUSTRIAL Products, since 1968 and company's deputy chairman and chief executive since 1976, will be appointed to the new T and N post of corporate general manager, mining, on April 1. He will be succeeded as Deputy Chairman and chief executive of TBA by Mr. J. E. Berton, at present that company's managing director.

Telecommunications Board in place of Mr. Trevor Urban who is retiring. An assistant vice president of the AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION, Mr. Frederic D. Dubois, is to take a new post in London as a member of the newly-formed regional investment banking group. He will be responsible for investment banking activities in continental Europe, the Maghreb, and West Africa.

of Anderson and Brown (Bishopsgate). Mr. H. W. Mardonnell has been made director of STANDARD LIFE ASSURANCE COMPANY, Edinburgh. Mr. Macdonnell, partner of a legal firm in Toronto, was formerly a member of Standard Life's Canadian advisory Board.

Mr. Crawford M. Graham is joining the board of the SANGERS GROUP as chief executive from April 1. Mr. John K. Roddy has been appointed financial director of BRITISH BENZOL CARBONISING, which is establishing a new group headquarters in London. The company has operating subsidiaries in the production of coke and chemicals and transport. Mr. Roddy was previously divisional financial executive with S and W Berisford in international food and commodity group.

Mr. Maurice R. Valente, executive vice president of INTER-NATIONAL TELEPHONE AND TELEGRAPH CORPORATION, has been appointed member of the office of the chief executive and returned to ITT world headquarters in New York. He has been succeeded in Brussels as group executive—Europe and president of ITT Europe Inc by Mr. Gerhard R. Andlinger, an executive vice president.

The ENGINEERING EMPLOYERS' FEDERATION has appointed three vice-presidents: Mr. Tom Carlin, deputy chairman of Ebeco, and Wilcox; Mr. Kenneth Corfield, deputy chairman and managing director of Standard Telephones and Cables; and Sir James Woodson, chairman of Northern Engineering Industries.

Mr. D. L. Milne will be leaving the WILMOT BREEDEN GROUP and resigning from his directorships of Wilmot Breedon (Holdings) and associated companies on May 16. Mr. Milne decided to make this move some time ago and it has no connection with the current negotiations with Rockwell International.

Mr. Ray Morgan has been appointed manager of BARCLAYS BANK'S Stock Exchange branch. He succeeds Mr. Reginald Todd who will be retiring after 41 years' service.

Mr. David Pappin and Mr. Alan Westmarland will join DE ZOETE AND BEVAN'S stockbrokers gilt-edged department as associated members on March 12. Mr. R. S. Wilkins, the senior partner of Wedd, Durlacher, Mordant and Company, will join the Board of ROTHSCCHILD INVESTMENT TRUST when he retires from WDSI on April 30. Mr. Michael Broke and Mr. Richard Brown have been appointed directors of Rothchild Investment Trust.

The man who has been controlling the POST OFFICE'S eight factories is to take charge of telecommunications in the south-west of England. Mr. Eric D. Forbes takes over next month as chairman of the South West

The BUILDERS' BENEVOLENT INSTITUTION has elected Mr. H. F. Anderson to be president for 1979/80. He is president

Commercial Bank of Wales Limited advertisement with logo and text: 'Base Rate Commercial Bank of Wales announces that, for balances in their books on and after 6th March 1979 and until further notice their Base Rate for lending is 14% per annum.'

LONDON TRADED OPTIONS

LONDON TRADED OPTIONS table with columns: Option, Expiry, Closing price, Vol., etc. listing various options like BP, Shell, etc.

RECENT ISSUES

RECENT ISSUES table with columns: Issue Price, Date, etc. listing recent stock issues.

EQUITIES

EQUITIES table with columns: Issue Price, Date, etc. listing various equity issues.

FIXED INTEREST STOCKS

FIXED INTEREST STOCKS table with columns: Issue Price, Date, etc. listing various fixed interest stocks.

"RIGHTS" OFFERS

"RIGHTS" OFFERS table with columns: Issue Price, Date, etc. listing various rights offers.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FT-ACTUARIES SHARE INDICES table with columns: EQUITY GROUPS & SUB-SECTIONS, TUES., MARCH 6, 1979, listing various equity groups and their indices.

AUTHORISED UNIT TRUSTS

ES STOCK INDICES table with columns for various stock indices and their values.

Table of Authorised Unit Trusts listing various funds, their managers, and performance metrics.

Table of Insurance and Property Bonds listing various insurance policies and bond offerings.

Table of Offshore and Overseas Funds listing international investment funds.

Table of Offshore and Overseas Funds (continued) listing international investment funds.

NOTES section containing additional information and disclaimers regarding the data presented.

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FT SHARE INFORMATION SERVICE

BONDS & RAILS—Cont.

1978-79 High	Low	Stock	Price	% Chg	Yield
234	234	Chinese 4 1/2% 1988	234	+1	11.1
35	35	Do. 5% 1982	35	—	11.1
40	40	Do. 5 1/2% 1985	40	—	11.1
45	45	Gerrard 4 1/2%	45	—	11.1
50	50	Green 4 1/2%	50	—	11.1
55	55	Do. 5% 1982	55	—	11.1
60	60	Do. 5 1/2% 1985	60	—	11.1
65	65	Hunt 4 1/2%	65	—	11.1
70	70	Do. 5% 1982	70	—	11.1
75	75	Do. 5 1/2% 1985	75	—	11.1
80	80	Japan 4 1/2%	80	—	11.1
85	85	Do. 5% 1982	85	—	11.1
90	90	Do. 5 1/2% 1985	90	—	11.1
95	95	Persia 4 1/2%	95	—	11.1
100	100	Do. 5% 1982	100	—	11.1
105	105	Do. 5 1/2% 1985	105	—	11.1
110	110	Turkey 4 1/2%	110	—	11.1
115	115	Do. 5% 1982	115	—	11.1
120	120	Do. 5 1/2% 1985	120	—	11.1
125	125	U.S. 4 1/2%	125	—	11.1
130	130	Do. 5% 1982	130	—	11.1
135	135	Do. 5 1/2% 1985	135	—	11.1

BANKS & HP—Continued

1978-79 High	Low	Stock	Price	% Chg	Yield
100	100	Bank of India	100	—	11.1
105	105	Bank of China	105	—	11.1
110	110	Bank of Commerce	110	—	11.1
115	115	Bank of East Africa	115	—	11.1
120	120	Bank of India	120	—	11.1
125	125	Bank of China	125	—	11.1
130	130	Bank of Commerce	130	—	11.1
135	135	Bank of East Africa	135	—	11.1
140	140	Bank of India	140	—	11.1
145	145	Bank of China	145	—	11.1
150	150	Bank of Commerce	150	—	11.1
155	155	Bank of East Africa	155	—	11.1

CHEMICALS, PLASTICS—Cont.

1978-79 High	Low	Stock	Price	% Chg	Yield
100	100	East & West	100	—	11.1
105	105	East & West	105	—	11.1
110	110	East & West	110	—	11.1
115	115	East & West	115	—	11.1
120	120	East & West	120	—	11.1
125	125	East & West	125	—	11.1
130	130	East & West	130	—	11.1
135	135	East & West	135	—	11.1
140	140	East & West	140	—	11.1
145	145	East & West	145	—	11.1

ENGINEERING—Continued

1978-79 High	Low	Stock	Price	% Chg	Yield
100	100	Anglo-Soviet	100	—	11.1
105	105	Anglo-Soviet	105	—	11.1
110	110	Anglo-Soviet	110	—	11.1
115	115	Anglo-Soviet	115	—	11.1
120	120	Anglo-Soviet	120	—	11.1
125	125	Anglo-Soviet	125	—	11.1
130	130	Anglo-Soviet	130	—	11.1
135	135	Anglo-Soviet	135	—	11.1
140	140	Anglo-Soviet	140	—	11.1
145	145	Anglo-Soviet	145	—	11.1

BRITISH FUNDS

1978-79 High	Low	Stock	Price	% Chg	Yield
100	100	Treasury 3 1/2%	100	—	11.1
105	105	Treasury 4%	105	—	11.1
110	110	Treasury 4 1/2%	110	—	11.1
115	115	Treasury 5%	115	—	11.1
120	120	Treasury 5 1/2%	120	—	11.1
125	125	Treasury 6%	125	—	11.1
130	130	Treasury 6 1/2%	130	—	11.1
135	135	Treasury 7%	135	—	11.1
140	140	Treasury 7 1/2%	140	—	11.1
145	145	Treasury 8%	145	—	11.1

AMERICANS

1978-79 High	Low	Stock	Price	% Chg	Yield
100	100	ASA	100	—	11.1
105	105	American Express	105	—	11.1
110	110	Bank of America	110	—	11.1
115	115	Bank of New York	115	—	11.1
120	120	Bank of Montreal	120	—	11.1
125	125	Bank of Toronto	125	—	11.1
130	130	Bank of the West	130	—	11.1
135	135	Bank of the South	135	—	11.1
140	140	Bank of the North	140	—	11.1
145	145	Bank of the East	145	—	11.1

BEERS, WINES AND SPIRITS

1978-79 High	Low	Stock	Price	% Chg	Yield
100	100	Allied Brews	100	—	11.1
105	105	Allied Brews	105	—	11.1
110	110	Allied Brews	110	—	11.1
115	115	Allied Brews	115	—	11.1
120	120	Allied Brews	120	—	11.1
125	125	Allied Brews	125	—	11.1
130	130	Allied Brews	130	—	11.1
135	135	Allied Brews	135	—	11.1
140	140	Allied Brews	140	—	11.1

DRAPERY AND STORES

1978-79 High	Low	Stock	Price	% Chg	Yield
100	100	Anglo-Soviet	100	—	11.1
105	105	Anglo-Soviet	105	—	11.1
110	110	Anglo-Soviet	110	—	11.1
115	115	Anglo-Soviet	115	—	11.1
120	120	Anglo-Soviet	120	—	11.1
125	125	Anglo-Soviet	125	—	11.1
130	130	Anglo-Soviet	130	—	11.1
135	135	Anglo-Soviet	135	—	11.1
140	140	Anglo-Soviet	140	—	11.1

HOTELS AND CATERERS

1978-79 High	Low	Stock	Price	% Chg	Yield
100	100	Anglo-Soviet	100	—	11.1
105	105	Anglo-Soviet	105	—	11.1
110	110	Anglo-Soviet	110	—	11.1
115	115	Anglo-Soviet	115	—	11.1
120	120	Anglo-Soviet	120	—	11.1
125	125	Anglo-Soviet	125	—	11.1
130	130	Anglo-Soviet	130	—	11.1
135	135	Anglo-Soviet	135	—	11.1
140	140	Anglo-Soviet	140	—	11.1

Over Fifteen Years

1978-79 High	Low	Stock	Price	% Chg	Yield
100	100	Treasury 3 1/2%	100	—	11.1
105	105	Treasury 4%	105	—	11.1
110	110	Treasury 4 1/2%	110	—	11.1
115	115	Treasury 5%	115	—	11.1
120	120	Treasury 5 1/2%	120	—	11.1
125	125	Treasury 6%	125	—	11.1
130	130	Treasury 6 1/2%	130	—	11.1
135	135	Treasury 7%	135	—	11.1
140	140	Treasury 7 1/2%	140	—	11.1

Over Fifteen Years

1978-79 High	Low	Stock	Price	% Chg	Yield
100	100	Treasury 3 1/2%	100	—	11.1
105	105	Treasury 4%	105	—	11.1
110	110	Treasury 4 1/2%	110	—	11.1
115	115	Treasury 5%	115	—	11.1
120	120	Treasury 5 1/2%	120	—	11.1
125	125	Treasury 6%	125	—	11.1
130	130	Treasury 6 1/2%	130	—	11.1
135	135	Treasury 7%	135	—	11.1
140	140	Treasury 7 1/2%	140	—	11.1

BUILDING INDUSTRY, TIMBER AND ROADS

1978-79 High	Low	Stock	Price	% Chg	Yield
100	100	Anglo-Soviet	100	—	11.1
105	105	Anglo-Soviet	105	—	11.1
110	110	Anglo-Soviet	110	—	11.1
115	115	Anglo-Soviet	115	—	11.1
120	120	Anglo-Soviet	120	—	11.1
125	125	Anglo-Soviet	125	—	11.1
130	130	Anglo-Soviet	130	—	11.1
135	135	Anglo-Soviet	135	—	11.1
140	140	Anglo-Soviet	140	—	11.1

ELECTRICAL AND RADIO

1978-79 High	Low	Stock	Price	% Chg	Yield
100	100	Anglo-Soviet	100	—	11.1
105	105	Anglo-Soviet	105	—	11.1
110	110	Anglo-Soviet	110	—	11.1
115	115	Anglo-Soviet	115	—	11.1
120	120	Anglo-Soviet	120	—	11.1
125	125	Anglo-Soviet	125	—	11.1
130	130	Anglo-Soviet	130	—	11.1
135	135	Anglo-Soviet	135	—	11.1
140	140	Anglo-Soviet	140	—	11.1

INDUSTRIALS (Misc.)

1978-79 High	Low	Stock	Price	% Chg	Yield
100	100	Anglo-Soviet	100	—	11.1
105	105	Anglo-Soviet	105	—	11.1
110	110	Anglo-Soviet	110	—	11.1
115	115	Anglo-Soviet	115	—	11.1
120	120	Anglo-Soviet	120	—	11.1
125	125	Anglo-Soviet	125	—	11.1
130	130	Anglo-Soviet	130	—	11.1
135	135	Anglo-Soviet	135	—	11.1
140	140	Anglo-Soviet	140	—	11.1

INTERNATIONAL FUNDS

1978-79 High	Low	Stock	Price	% Chg	Yield
100	100	Treasury 3 1/2%	100	—	11.1
105	105	Treasury 4%	105	—	11.1
110	110	Treasury 4 1/2%	110	—	11.1
115	115	Treasury 5%	115	—	11.1
120	120	Treasury 5 1/2%	120	—	11.1
125	125	Treasury 6%	125	—	11.1
130	130	Treasury 6 1/2%	130	—	11.1
135	135	Treasury 7%	135	—	11.1
140	140	Treasury 7 1/2%	140	—	11.1

COMMONWEALTH & AFRICAN FUNDS

1978-79 High	Low	
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INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Continued

International Finance DAIWA SECURITIES

OTELS AND CATERING

INDUSTRIALS

MINES—Continued AUSTRALIAN

Table of Australian mining stocks including Anglo Energy, Anglo Coal, Anglo Iron, etc.

TINS

Table of tin stocks including Anglo Tin, Anglo Zinc, Anglo Lead, etc.

COPPER

Table of copper stocks including Anglo Copper, Anglo Nickel, etc.

MISCELLANEOUS

Table of miscellaneous stocks including Anglo Petroleum, Anglo Chemical, etc.

NOTES

Notes regarding stock prices, dividends, and other financial information.

MINES CENTRAL RAND

Table of Central Rand mining stocks.

MINES EASTERN RAND

Table of Eastern Rand mining stocks.

MINES FAR WEST RAND

Table of Far West Rand mining stocks.

MINES O.F.S.

Table of O.F.S. mining stocks.

FINANCE

Table of finance stocks.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks.

CENTRAL AFRICAN

Table of Central African stocks.

REGIONAL MARKETS

Regional market information and exchange rates.

Table of industrial stocks including Anglo American, Anglo Coal, Anglo Iron, etc.

Table of insurance stocks including Anglo Life, Anglo Fire, etc.

Table of property stocks including Anglo Real Estate, Anglo Land, etc.

Table of investment trusts including Anglo Trust, Anglo Fund, etc.

Table of finance and land stocks including Anglo Bank, Anglo Finance, etc.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks.

Commercial Vehicles

Table of commercial vehicle stocks.

Components

Table of component stocks.

Garages and Distributors

Table of garage and distributor stocks.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks.

PROPERTY

Table of property stocks.

INSURANCE

Table of insurance stocks.

LEISURE

Table of leisure stocks.

SHIPPING

Table of shipping stocks.

SHOES AND LEATHER

Table of shoes and leather stocks.

SOUTH AFRICANS

Table of South African stocks.

TEXTILES

Table of textile stocks.

TOBACCOS

Table of tobacco stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks.

PROPERTY

Table of property stocks.

INSURANCE

Table of insurance stocks.

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Table of trusts, finance, and land stocks.

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Table of property stocks.

INSURANCE

Table of insurance stocks.

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Table of finance and land stocks.

OVERSEAS TRADERS

Table of overseas trader stocks.

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Table of rubber and sisal stocks.

GOLDS EX-GRANDIS

Table of gold ex-grandis stocks.

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Table of tea stocks.

SRI LANKA

Table of Sri Lanka stocks.

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Table of African stocks.

INDIA AND BANGLADESH

Table of India and Bangladesh stocks.

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INDIA AND BANGLADESH

Table of India and Bangladesh stocks.

RATING SURVEYORS Bernard Thorpe LONDON, SW1 TEL: 01-834 6890

Artes Skelmersdale This is an excellent time to meet the challenge of expansion head on in Skelmersdale.

Namibia ceasefire hopes imperilled

By Quentin Peel in Johannesburg

THE UNITED NATIONS plan for a ceasefire in Namibia (South West Africa) received a potentially fatal reverse yesterday.

South African troops and aircraft raided guerrilla bases in Angola and the South African Government rejected two key elements in the UN proposals.

The South African military and diplomatic offensive coincided with the deadline set by Dr. Kurt Waldheim, the UN Secretary General, for a response to his ceasefire proposal. It had been intended to lead to unsupervised elections in the disputed territory.

First details of the talks on "identified terrorist bases" of the South West Africa People's Organisation (SWAPO) in Angola were given by Mr. P. W. Botha, the South African Prime Minister and Minister of Defence, in a parliamentary statement. He said the strikes were "limited and reactive".

'Deviation'

The South African reaction, coupled with SWAPO objections to the UN proposals, is likely to lead to more frantic negotiations in New York to retain the March 15 ceasefire date. But Western diplomats in South Africa promised that efforts for a settlement would not be abandoned.

The South African defence force gave no specific details immediately on the targets of its raids, but General Magnus Malan, the South African defence chief, said Army and Air Force units were involved. He said the operation was undertaken because "terrorists had concentrated in the border area, from where they launched an aggressive and defiant campaign of terrorism and violence mainly at the local population."

In his long and angry statement Mr. Botha said South Africa still supports the Western plan for a settlement in Namibia. But Dr. Waldheim's latest proposals were a serious deviation. He accused the five Western members of the Security Council — Britain, Canada, France, the U.S. and West Germany — of bad faith in their negotiations suggesting that they had deliberately misled his government on the question of allowing SWAPO bases inside Namibia.

The accusation brought an equally vehement denial from Western diplomats. Sir David Scott, the British Ambassador and one of the principal negotiators, said he deeply resented it. "We have been doing our best in extremely difficult circumstances to try and reconcile positions which are far apart."

South Africa's formal response to the UN, released by Mr. P. W. Botha, the Foreign Minister, details provisions on its acceptance of the ceasefire. The key points are insistence on UN monitoring of SWAPO bases, refusal to countenance bases inside Namibia, and an election date before September 30.

Chancellor warned against tough, deflationary Budget

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE BUDGET on April 3 should be neutral rather than deflationary the National Institute of Economic and Social Research says in its new quarterly review today.

The institute, and independent research body, argues that inflation does not seem to be immediately feasible or convincing as an economic strategy because of the impact of the pay policy breakdown, though there would be a clear case for such action in normal circumstances.

But there is "no merit whatsoever in a positively deflationary Budget" since a further increase in unemployment induced by fiscal action would have no discernible effect on the level of pay settlements, so the Budget should be neutral.

The review is likely to provide support for those in the Government and the Labour Party who believe a tough Budget would be economically, and politically, damaging, and is in line with a non-monetarist strain of official advice.

The institute's forecasts back up the view of many non-Whitehall economists that Mr. Denis Healey, the Chancellor, and the Treasury have been taking too pessimistic a view of the implications for public sector borrowing of a high level of pay settlements.

This estimate is of key importance in determining the size of tax increases or expenditure cuts in the Budget in order to reduce public sector borrowing below the official £8.5bn ceiling in 1979-80.

The institute estimates that borrowing will be £8.9bn in 1979-80, assuming a 14 per cent increase in average earnings in the current pay round and an increase in personal tax allowances, but not specific indirect tax rates, in line with inflation in the Budget.

The institute attacks the belief that earlier free collective bargaining or a relatively tight monetary policy will control inflation, while also rejecting the current official

COMPARISON OF FORECASTS—1979

Table with columns: National Institute, London Business School. Rows: GDP, Consumer spending, Real personal disposable income, Consumer price inflation, Current account, Public sector borrowing, National Institute assumes increase in personal tax allowances.

commitment to a stable exchange rate. It asserts that the very limited gain in terms of

moderating domestic price rises is bought at the cost of significant reductions in exports, output and employment to below what they would be if sterling fell to preserve competitiveness.

The institute's economic projections are not far out of line with those of other leading forecasting groups. It envisages a slight acceleration in the rate of consumer price inflation over the next two years, but only up to 11 per cent by the end of 1980. The current account of the balance of payments should be in substantial surplus.

But the institute is rather more bullish than other forecasters in projecting further quite substantial increases in living standards and total output this year, but with slower growth next year. Unemployment is projected to rise from under 1.3m at the end of 1978 to 1.4m at the end of this year and 1.6m by December 1980. Details, Page 11. Editorial Comment, Page 18.

Kuwait Neutral Zone oil price up \$1.20 a barrel

BY KEVIN DONE, ENERGY CORRESPONDENT

KUWAIT HAS increased the price of crude oil produced offshore in the Neutral Zone, the Gulf area between Kuwait and Saudi Arabia, by \$1.20 a barrel. The surcharge is the same as that introduced by Kuwait last month for its main 2m barrels a day export crude.

Saudi Arabia is thought to have agreed to apply a similar surcharge to its share of offshore Neutral Zone production.

Sheikh Ali Khalifa as-Sabah, Kuwait Oil Minister, said yesterday, however, that the surcharge would not be incorporated into the Organisation of Petroleum Exporting Countries' overall price structure.

The OPEC states are to meet in Geneva on March 26 to discuss world oil supply problems after the turmoil in Iran. But the Kuwaiti Minister said yesterday that the meeting would be purely consultative. It had not

been called to make changes in the basic OPEC price structure agreed last December.

The meeting was intended to prepare the way for individual member countries to plan their own oil prices surcharges in the context of demand in the world market.

If supply and demand were more in balance, the surcharges could be lowered or eliminated, Sheikh Ali Khalifa said. However, he expected the world oil market to remain tight for the rest of the year.

The OPEC price structure guarantees that crude oil prices will rise by a minimum of 14.5 per cent this year in quarterly stages.

Several OPEC members, however, have already announced further increases in the first three months of more than \$1 a barrel to take account of the world oil supply shortage due to the loss of Iranian exports in the

first 10 weeks of this year.

It is likely that most OPEC members will have introduced some form of surcharge by the end of the month after the example set by Abu Dhabi and Qatar. The increases appear certain to be carried through into the second quarter, and could well be pushed even higher, unless world oil demand is cut.

The latest crude affected, Neutral Zone offshore production is operated by the Arabian Oil Company, a Japanese-owned concern which is the only foreign oil company still operating in Kuwait.

Royal Dutch Shell Group has bought 320,000 tonnes of Iranian oil at spot prices, the National Iranian Oil Company said. Shell paid between \$18 and \$22 a barrel for the 160,000 tonnes of heavy Iranian crude and an equal amount of light crude, NIOC said.

Japanese mission concludes £54m deal

By Margaret Hughes

JAPAN'S biggest import mission to Britain ended its 10-day visit yesterday with the announcement of firm contracts plus follow-up orders worth £54m. This is equivalent to about 10 per cent of total British exports to Japan last year.

The bulk of the purchases, worth £36m, is in the consumer goods and foods fields—but the deal also includes the first order from Japan for Rover 3500 cars. About 1,000 are to be shipped to Japan this year and the mission hopes that this will lead to further imports of the BL car.

Though a substantial proportion of the orders were under negotiation before the mission arrived, and it will take up to another six months for many of them to be completed, the £54m total is nonetheless far higher than the UK had expected.

Mr. John Smith, Trade Secretary, said in London yesterday that he was "very encouraged by the initial level of orders."

He was "even more encouraged" by the fact that Mr. Taiichiro Matsuo, the mission's leader and president of Marubeni Corporation, had told the Prime Minister earlier in the day that "this was only the starting line for furthering Anglo-Japanese trade."

Yesterday Mr. Matsuo again stressed that the mission's success represented only a start. He expected trade between the UK and Japan to accelerate, and it was now "very important that the initial stimulus is maintained by continuing mutual efforts."

During their stay, the missions, totalling 107 members, visited 24 cities in England, Wales, Scotland and Northern Ireland, seeking companies, trade organisations and exhibitions attended by some 400 British companies.

The delegates were split into five main groups—three product groups, an investment group and a leaders' group—which followed different specialist programmes.

The most successful in winning immediate orders was the foodstuffs and consumer goods group, which expects contracts totalling about £23m for consumer goods in the next six months or so, and orders of £14m for foods.

They include whisky, confectionery, porcelain and ceramics, kitchenware and furniture. New products that attracted the group are reproduction furniture, pictures and room accessories.

Mr. Shigeru Okada, this group's leader, who is president of Mitsukoshi, Japan's leading department store, stressed however that British exporters would need to "modify and adapt" their products before bringing them to the Japanese market, which is now "near saturation."

The textiles group has signed firm contracts worth £4.25m.

Shah to be tried in his absence

BY ANDREW WHITLEY AND ANTHONY McDERMOTT IN TEHRAN

THE DEPOSED Shah of Iran is to be tried in his absence by the country's provisional Government. He has been in exile in Morocco for the past six weeks. The announcement was made yesterday by Mr. Amir Entezam, a deputy Prime Minister and official spokesman, who said a special court would be set up in a few days to hear charges of "crimes against the people."

The trial will serve to unite the whole nation at a time when divisions in the ranks of the former opposition movement are sharpening. It should also distract attention from the administrative impotence of the Government of Dr. Mehdi Bazargan.

Mr. Entezam said one purpose of the trial would be to counter the Swiss Government's refusal to freeze the Shah's assets.

estimated at more than £100m, by proving that this wealth was acquired criminally. The former Royal Family's property and other assets in Iran, mainly in the form of land and companies, have already been seized by the three-week old Government.

Two contrary political currents are being made plain. On the one hand, the Ayatollah Khomeini, through his pronouncement, has been preparing the nation for a full Islamic Republic. On the other, this is being challenged by a more secular, but still republican, political movement.

Women's rights have been thrust into the limelight in the past few days as a highly sensitive issue for Mr. Bazargan. This results from forthright statements by the Ayatollah on the repeal of the family protec-

tion laws and segregation in schools. Rallies by groups of modern-minded women, backed by left-wingers and other secular forces are to be held in the capital.

Iranians determined to ensure the secular society, were given a powerful boost yesterday with the publication of an 11-point programme by the organisers of the "Doctor Mossadegh Memorial Rally" on Monday. A new umbrella organisation likely to attract considerable middle class support has been set up under the title of the National Democratic Front.

The U.S. aircraft carrier Constellation has been ordered to sail from the Philippines into water near the Gulf in a demonstration of U.S. concern about conditions in the area.

Turner & Newall to axe 1,500

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

TURNER AND NEWALL, the industrial group with many interests, is to reduce its British workforce by 1,500 in an effort

to improve domestic profitability. The announcement yesterday accompanied the group's financial results for 1978, which showed a drop of £6.6m in profit before tax to £38.5m on a turnover that increased from £413.5m to £540.7m. The cost of the cutback in employees will be £7.8m, for which provision has been made.

The redundancies, amounting to 8 per cent of Turner and Newall's UK workforce, will occur between next month and October at factories in the Midlands and north-west. About

400 jobs will be lost at Streetly, West Midlands, which is part of British Industrial Plastics, and 1,100 at the construction materials divisional plants at Trafford Park and Ditton, in the north-west, and Rhoose, South Glamorgan. The Ditton redundancies involve closure of an entire factory.

The division worst affected in job terms is that of building materials, which will greatly reduce its pipemaking capacity. It cut the work force by 350 during 1978. Poor demand from the construction industry is blamed for the rundown.

Continued from Page 1

U.S.-German relations

It is believed that the almost simultaneous diplomatic recognition of Peking by Washington and the Chinese intervention in Vietnam will have aroused serious doubts in Moscow about the true intentions of the U.S. At high level in Bonn it is felt that there was a danger of the Chinese intervention escalating to an eventual, limited but successful Soviet strike against China. Such an event would mean not only a worsening of

Moscow-Washington relations but probably a marked increase in the effectiveness of Soviet power in regard to developing countries.

A further serious danger for détente is seen by the West Germans in the continuing lack of a firm lead from the U.S. on the problem of Soviet "grey zone" weapons. These are the intermediate-range nuclear missiles, not covered by Moscow and Washington in their

strategic arms limitation talks, which could reach targets throughout Western Europe.

Although Herr Schmidt, the German Federal Chancellor, raised the problem of growing Soviet "grey zone" strength publicly more than a year ago, it is still not clear to West Germans when they can expect a firm strategy answer from Washington, or even that their position is understood.

THE LEX COLUMN

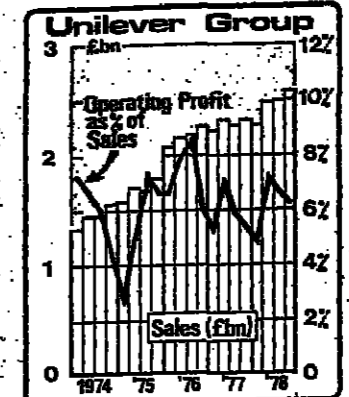
Turner & Newall's year of troubles

Next week the gilt-edged market faces the first of a series of calls on the two partly-paid stocks, and some profit-taking was to be expected. The undertone of the market remains very firm, however, and stags of the long-dated stock are still showing profits of 67 per cent. With equities going better after the close, the All-Share Index might have been up to its record high level if it had been calculated on after-hours prices.

Turner & Newall

Everything seems to have gone wrong for Turner and Newall in 1978. There were strikes in Canada costing £3m, exchange rates moved the wrong way (worth another £1.2m) and, worst of all, the trading picture in the U.K. and Europe proved far worse than expected.

Index rose 1.6 to 486.2



crossed the number of shares in issue by 70 per cent over the last three years. T and N's recent performance is very uninspiring.

Unilever

For 1978 as a whole the Unilever group achieved 3 per cent volume growth in sales. Leaving the poor first quarter aside, real sales growth was well with the 3 per cent increase in OECD consumer spending during the year. The most pleasing aspect is that margins have held up well and the volume increase has come through to the bottom line: pre-tax profits were 11 per cent higher at £607.7m after £12.6m of provisions and an adverse currency effect of a similar size. This year the trend of consumer demand in the UK and U.S. is unlikely to be so positive, although spending in Continental Europe should remain relatively buoyant. Packaging and chemicals are still flat, and the group's trouble spots—the North American detergent business, where heavy costs are being incurred, and the British meal side—cannot be expected to show much improvement. The African contribution has become rather unreliable, although the decline in profits from Nigeria may be reversed as higher oil prices reflate the Nigerian economy. Currency movements may not go against Unilever quite so much in 1979, but then the group will be lucky if the oilseed market, remarkably steady last year, is quite as kind to it again. At this early stage it looks as though 3 per cent volume growth in 1979 would be very respectable.

The prospect of an end to dividend control in the UK under a Conservative government is a powerful support for the shares, which now contain 33p—50p gross—of pent-up

dividend. Dividend treatment would also allow the running yield, at present 4.8 per cent on the limited shares at 486.2, to be improved substantially. An historic p/e of 7.7 looks cheap against the market, particularly as it falls to a pessimistic 6.6 if one strips out the dividend backlog and assumes 1979 earnings per share of 8.5. But the strength of sterling over two years has reduced interest in Unilever as an overseas earner, and the group has to work very hard indeed to perform the world economy.

De Beers

De Beers reported yesterday on a remarkable year—a 7 per cent rise in diamonds, a record price rise in August of 30 per cent, and success in counter speculative hoarding in the diamond trade. So the 32 per cent rise in net profit was up to most expectations while the dividend payment, 65¢ disappointed some.

Earnings of 20.5¢ per share were depressed by accounting changes, whose apparent aim was to increase the tax charge from last year's rather nominal-looking figure of 29 per cent. De Beers subtracted capital investments from its diamond income, instead of doing this below the line, also added diamond export to the tax charge rather than subtracting it at source. The net effect was to make the fit figure more conservative. This year the outlook is a flatter trading performance. Diamond sales have got off to a less-than-sparkling start in the market in small polished stones, which are weak and De Beers adjusted rough sales accordingly. There is a question over the U.S. market which normally takes 50 per cent of Central Selling Organisation sales. An early guess is that Rand sales will be maintained this year.

This sales plateau could weaken for the share, as largely American buying has tripled the De Beers share price in three years, though the yield to Americans remains a generous 11.2 per cent, a flat year for De Beers could produce a flicker on Wall Street.

The situation in Namibia where De Beers makes one-fifth of its profit, could unsettle the shares, as it seems most unlikely measures taken by a SW Government could reduce De Beers' net profit by much more than 5 per cent. The shares closed in London at 486p, up 6p, to give a yield to the British investor of 8.2 per cent.

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